



HOTEL & LEISURE ADVISORS

**MARKET FEASIBILITY STUDY
FOR THE
PROPOSED DESTINATION RESORT - PAGE COUNTY
LURAY, PAGE COUNTY, VIRGINIA**



Date of Report:

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FOR

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**MARKET FEASIBILITY STUDY REPORT FOR THE
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TABLE OF CONTENTS**

A.	INTRODUCTION	
	Scope of the Assignment.....	A-1
	Executive Summary.....	A-2
	Extraordinary Assumptions and Hypothetical Conditions.....	A-11
	Competency of the Consultants.....	A-12
	Standard Conditions	A-12
B.	AREA ANALYSIS AND DESCRIPTIVE DATA	
	Area Review	B-1
	Neighborhood Analysis.....	B-14
	Demographic Comparison of Luray vs. Wisconsin Dells and Sandusky	B-18
	Site Analysis.....	B-26
	Description of Projected/Recommended Improvements.....	B-32
	Franchise Affiliation Analysis.....	B-39
	Development Costs	B-41
C.	MARKET ANALYSIS	
	National Lodging Overview	C-1
	Analysis of Indoor Waterpark Resorts	C-11
	Washington DC Lodging Overview	C-25
	Competitive Lodging Market Overview	C-28
	Projected Market Occupancy.....	C-47
	Group Demand Research.....	C-48
D.	SUBJECT OCCUPANCY AND AVERAGE DAILY RATE ANALYSIS	
	SWOT Analysis of Subject Property.....	D-1
	Projected Subject Occupancy.....	D-3
	Estimated Average Daily Rate	D-6
	Indoor Waterpark Analysis	D-9
E.	FINANCIAL ANALYSIS	
	Introduction	E-1
	Income and Expense Analysis	E-3
	Prospective Financial Analysis in Inflated Dollars	E-19
	Feasibility Analysis	E-23
F.	CERTIFICATION	F-1
	ADDENDA	
	Qualifications.....	Addendum I
	STR Report	Addendum II
	ESRI Demographic Report	Addendum III

SCOPE OF THE ASSIGNMENT

Ms. Nina A. Long Fox with Page County retained Hotel & Leisure Advisors, LLC to estimate the potential market feasibility of the development of a destination resort in Page County.

We made a number of independent investigations and analyses while preparing this study, including:

- Evaluated a representative subject site and its relationship to potential demand generators as well as its attributes relative to the lodging and waterpark competitors.
- Interviewed representatives of the chamber of commerce, assessor's office, county, and economic development officials to collect information concerning the proposed site, Page County, and region.
- Interviewed managers or owners of existing and proposed competitive hotel or resort properties.
- Interviewed representatives of various hotel chains to determine performance of area hotels and proposed new supply additions.
- Interviewed managers of indoor waterpark resorts across the country.
- Interviewed representatives of area attractions to determine usage and new supply additions.
- Conducted research of potential users of the proposed facility.
- Consulted various agencies and databases for demographic data, land use policies and trends, growth estimates, and employment data. We also relied on data retained in our office, which is updated regularly for use in all assignments.
- Completed a physical inspection of the representative property and the area. Ms. Nina A. Long Fox provided the subject property data. In addition to the subject's specific information, we considered relevant market data in determining the projections used in our cash flow analysis.

We based the financial analysis primarily upon the probable operating experience of the property relative to gross operating revenues, typical expense levels, and resultant net cash flow. We estimated operating revenues utilizing market data relative to industry standards and comparable properties in the subject area. We estimated expense levels based upon industry standards and operating histories of similar properties. We estimated the financial projections for the subject facility for 11 years, beginning January 1, 2025.

EXECUTIVE SUMMARY

We have considered multiple locations in Page County but focused our study on the Caverns Country Club Resort as a representative site, which was listed for sale as of the date of inspection for \$8,500,000. The 18-hole, 6,499-yard, par 72 course is a Mal Purdy designed course. The overall site is 348-acres and has 1.25 miles of frontage along the Shenandoah River. Thus, in addition to the course, the property contains approximately 100 undeveloped parcels that are available for residential development. These parcels are wooded sites on rolling hills as is much of the golf course. The listing offers to sell the overall site in total and not as individual development parcels.

Based on our analysis of regional destination resorts including area indoor waterpark resorts, we recommend the property be developed as an indoor waterpark resort. Such a development would provide the market with upscale quality guestrooms, attractive meeting facilities, and a year-round family-oriented attraction that would complement the region's popular attractions, the Shenandoah National Park and Luray Caverns. Although we considered alternative resort development options that would not include an indoor waterpark, the performance of the regional resorts without indoor waterparks is well below that of resorts with the indoor waterpark amenity. We forecast the subject site would benefit from an indoor waterpark amenity and allow for higher occupancy and ADR levels.

We recommend the development of a 300-room hotel adjoining a 60,000-square-foot (net) indoor waterpark with meeting rooms, restaurants and other amenities associated with a destination indoor waterpark resort. The following table profiles our recommendations for the proposed resort hotel in Luray, Page County, Virginia.

Recommended Facility

Proposed Destination Resort - Page County

Number of Units		300	
Room Mix	Units	Room Breakdown %	Size (S.F.)
Double-Queen	150	50%	400-450
King	30	10%	400-450
Suites	70	23%	600-800
Cabins	50	17%	800-1,000
Meeting Rooms		Square Feet	Banquet Capacity
Grand ballroom (divisible into 6 rooms)		8,000	660
Breakout rooms		4,500	
Pre-function space		2,500	
Total square feet		15,000	660
Food and Beverage Outlets			
Three-meal restaurant			
Coffee and pastry shop			
Upscale restaurant and wine bar			
Swim up bar			
Waterpark snack bar			
Waterpark Features		Sizing	
Indoor waterpark (square feet)		60,000	
Outdoor water play area			
Lockers		200	
Cabanas		20	
Birthday Party rooms (square feet)		1,500	
Suggested Themes			
Northwoods			
Wilderness			
Appalachian Mountains			
Additional Revenue Centers		Square Feet	
Retail		2,500	
Arcade		15,000	
Spa		5,000	
Amenities			
Business center			
Complimentary high-speed Internet			
Fitness room			
Basketball court			
Tennis and Pickleball courts			
Golf course (leased)			
Golf Pro Shop (leased)			
Interactive game			
Kayak and Canoe Rentals			
Zip Line and Ropes course			
Walking/Hiking trails			

Source: Hotel & Leisure Advisors

Recommendations

Following are our recommendations for the proposed development.

- We recommend the subject offer 300 guestrooms with a mixture of double-queen and king rooms, suites, and cabins.
 - All rooms are recommended to include a sleeper sofa or bunk beds and a half wall to allow their use as studio suites.
 - We recommend a mixture of room types including themed rooms with kid's bunk beds and separate kids areas. This will provide flexibility for guests.
 - Guestrooms should be larger than typical hotel guestrooms with an average square footage of 400 to 450 square feet and suites offering 600 to 800 square feet. The cabins maybe somewhat larger than suites offering 800 to 1,000 square feet.
 - The room mix should be approximately 60% typical guestrooms, 23% suites, and 17% cabins.
 - The room mix should include 50 cabins away from the main resort building. The cabins will allow the hotel to capture multi-generation families that want to stay together as well as bridal parties that would appreciate the larger units for their group.
 - We recommend the development include a unique theme and brand name. Potential ideas include children's kingdom, Appalachian Mountains, wilderness, Northwoods/Adirondacks, Caribbean, coral reef, Africa, Australia, etc. Another idea is to theme the resort around well-known licensed movie or cartoon characters. The name and theme of the resort are very important. We recommend the resort develop themed characters who can make appearances for pictures in the lobby area, restaurants, and indoor waterpark.
- We recommend 15,000 square feet of meeting space to attract a variety of groups, associations, wedding parties, and events. The flexible space should include:
 - A 8,000-square-foot main ballroom divisible into six rooms, each with its own access, to house multiple smaller events. As a banquet area, this space will seat 660 people at 72" round tables.
 - Additional 4,500 square feet of meeting room spaces to be used as breakout rooms or to host smaller receptions.
 - A 2,500-square-foot pre-function space that will be flexible in use.
 - The subject resort should have an outdoor event area that would be used seasonally for social gatherings.

- The meeting rooms should be well-appointed with the latest in meeting technologies, including ample power, Wi-Fi, video conferencing, and acoustical treatments. The meeting space will allow the subject to attract group business in midweek periods. The meeting space should be on the opposite end of the building from the indoor waterpark to allow separation between two different types of users. The design of the parking lot should allow for the meeting space to be separate from the waterpark.
- We recommend the subject offer multiple food and beverage outlets, including:
 - A specialty restaurant offering seafood, steak, or other more upscale options along with a wine bar.
 - A family-style themed restaurant serving all three meals. The restaurant should offer a breakfast buffet and a-la-carte lunch and dinner service.
 - Waterpark snack bar.
 - A coffee and pastry shop offering coffee, candy, ice cream and other sweet treats.
 - A swim up and dry bar area overlooking the surf machine.
 - The kitchen should be efficiently designed to accommodate multiple restaurant and banquet requirements.
- We recommend a large 60,000-square-foot indoor waterpark and an outdoor water play area, which are further described within the report. We assume limited day passes will be sold to the public during slower time periods.
- We recommend amenities for business travelers, including a business center, fitness center, and wireless Internet access.
- We recommend a 15,000-square-foot indoor family entertainment center (FEC). The family entertainment center should be located near the waterpark entrance and be open to non-hotel guests also. The family entertainment center should offer:
 - Arcade games, split between areas for teenagers and areas for younger children
 - Prize redemption area
 - Miniature bowling
 - Laser tag
 - Miniature golf
 - Golf simulators
 - Indoor multi-story ropes course
 - Rock climbing wall
 - 4D theater
 - Virtual reality attraction
 - Birthday party rooms

- We recommend an outdoor adventure park offering tree-top ropes course, ziplining, multi-story ropes course, and adventure playground.
- Visitors to the region are outdoor oriented as demonstrated by the visitation to the Shenandoah National Park. We recommend the development of walking and hiking trails through the overall property. We recommend a variety of outdoor activities including zip lines, ropes course, basketball court, tennis and pickleball courts. If access to the Shenandoah River is available to the resort, we recommend kayak and canoe rentals. If access to the river is not available, we encourage developing packages with area kayak and canoe rental companies. The facility could also offer snowmobile rentals and snowshoeing during the winter months.
- The representative subject site is the Caverns Country Club Resort. If this site were acquired for development, we recommend leasing the golf course to a group experienced in the operation of golf facilities. This would include the operation of the golf pro shop and the snack shop. The tenant would be expected to maintain the quality of the overall resort in the golf operations. If the Caverns Country Club Resort is not the site, we encourage the development of golf packages with area golf courses to provide additional outdoor amenities for guests of the resort. Our study has not included any income or expenses from the golf course.
- We recommend 2,500 square feet of retail in two gift shops and multiple kiosks. One store in the lobby area should sell novelty items, and the second near the waterpark entrance should sell waterplay related items. We recommend other small retail kiosks near the FEC such as Build-a-Bear, temporary tattoos/face painting, and keychain/wristband kiosk, etc. By locating the family entertainment center, restaurants, and retail near each other, it will allow the subject to offer a "main street" atmosphere that will be active during the evenings.
- We recommend the subject offer RFID wristbands to hotel guests to pay for various services at the resort, including arcade tokens, gift shop, restaurants, coffee shop, and waterpark snack bar. The wristbands can either be pre-paid (for children) or linked to a guestroom account.
- We recommend the development of a 5,000-square-foot spa and salon that includes multiple treatment rooms and offers services such as massages, facials, therapies, and other treatments for adults and children.
- An interactive game for children that would utilize different sections of the resort's interior and exterior should be included. The MagiQuest interactive game is extremely popular and profitable at the Great Wolf Lodge properties. We also recommend other dry play areas within the hotel.
- We recommend sufficient parking spaces be developed for the hotel, indoor waterpark, meeting space, and FEC. The subject will require between 400 and 600 parking spaces.
- We recommend the facility be constructed with a plan to add a second phase expansion of the hotel rooms, meeting space and waterpark if demand allows. Planning for an expansion in the initial drawings will lower the cost later.

- We recommend a \$40.00 resort fee that includes self-parking, access to business center and fitness center, standard wireless Internet (with an upgrade option), bottled water in the room at check-in, access to the indoor and outdoor waterparks, waterpark towels, and family activities.
- We recommend the subject try to obtain the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) certification. The LEED Green Building Rating System™ is the nationally accepted benchmark for the design, construction, and operation of high-performance green buildings. According to multiple studies, green buildings offer significant operational cost savings for utilities.

Development Budget

A development budget has not yet been prepared. Based on our review of construction costs at other indoor waterpark resorts, we project the proposed subject development costs to range from \$500,000 to \$600,000 per room or \$150 million to \$180 million. The development costs will vary depending upon which site is selected and the layout and design of the resort.

Subject Hotel Projections

The following forecasts of income and expenses reflect the subject's anticipated performance for calendar years beginning in 2025. We projected that the subject's operations will stabilize in the third year and all income and expense items will increase thereafter at the underlying inflation rate of 2.5%. We note that departmental expense ratios are expressed as a percentage of departmental revenues. All other expense ratios are expressed as a percentage of total revenues. We presented rounded figures to the nearest thousand.

Forecasted Financial Performance

Proposed Destination Resort - Page County

	2025 - First Year				2026 - First +1				2027 - First +2				2028 - First +3			
	300				300				300				300			
Available Rooms	300				300				300				300			
Occupancy	59.8%				66.5%				69.9%				69.9%			
Average Rate	\$334.00				\$345.69				\$356.06				\$364.96			
Days Open	365				365				365				365			
Occupied Room Nights	65,498				72,816				76,546				76,546			
Available Room Nights	109,500				109,500				109,500				109,500			
	\$ (000)	%	\$/Avail Rm	\$/Occ Rm Night	\$ (000)	%	\$/Avail Rm	\$/Occ Rm Night	\$ (000)	%	\$/Avail Rm	\$/Occ Rm Night	\$ (000)	%	\$/Avail Rm	\$/Occ Rm Night
Revenues																
Rooms	\$21,876	54.6%	\$72,920	\$333.99	\$25,172	56.0%	\$83,907	\$345.69	\$27,255	56.6%	\$90,950	\$356.06	\$27,936	56.6%	\$93,120	\$364.96
Food and Beverage	8,187	20.4%	27,290	125.00	9,001	20.0%	30,003	123.61	9,545	19.8%	31,817	124.70	9,783	19.8%	32,610	127.81
Other Operated Departments	786	2.0%	2,620	12.00	864	1.9%	2,880	11.87	916	1.9%	3,053	11.97	939	1.9%	3,130	12.27
Miscellaneous Income (Net)	2,300	5.7%	7,667	35.12	2,529	5.6%	8,430	34.73	2,681	5.6%	8,937	35.02	2,748	5.6%	9,160	35.90
Retail	1,310	3.3%	4,367	20.00	1,440	3.2%	4,800	19.78	1,527	3.2%	5,090	19.95	1,565	3.2%	5,217	20.45
FEC	2,292	5.7%	7,640	34.99	2,520	5.6%	8,400	34.61	2,673	5.6%	8,910	34.92	2,739	5.5%	9,130	35.78
Indoor Waterpark	2,464	6.1%	8,213	37.62	2,473	5.5%	8,243	33.96	2,534	5.3%	8,447	33.10	2,598	5.3%	8,660	33.94
Spa	875	2.2%	2,917	13.36	962	2.1%	3,207	13.21	1,020	2.1%	3,400	13.33	1,046	2.1%	3,487	13.67
Total Operating Revenue	40,090	100.0%	133,633	612.08	44,961	100.0%	149,870	617.46	48,151	100.0%	160,503	629.05	49,354	100.0%	164,513	644.76
Departmental Expenses																
Rooms	4,157	19.0%	13,857	63.47	4,522	18.0%	15,073	62.10	4,772	17.5%	15,907	62.34	4,891	17.5%	16,303	63.90
Food and Beverage	5,322	65.0%	17,740	81.25	5,790	64.3%	19,300	79.52	6,110	64.0%	20,367	79.82	6,263	64.0%	20,877	81.82
Other Operated Departments	354	45.0%	1,180	5.40	385	44.6%	1,283	5.29	406	44.3%	1,353	5.30	416	44.3%	1,387	5.43
Retail	720	55.0%	2,400	10.99	784	54.4%	2,613	10.77	827	54.2%	2,757	10.80	848	54.2%	2,827	11.08
FEC	688	30.0%	2,293	10.50	748	29.7%	2,493	10.27	790	29.6%	2,633	10.32	809	29.5%	2,697	10.57
Indoor Waterpark	2,484	100.8%	8,280	37.92	2,686	108.6%	8,953	36.89	2,828	111.6%	9,427	36.85	2,899	111.6%	9,663	37.87
Spa	709	81.0%	2,363	10.82	771	80.1%	2,570	10.59	814	79.8%	2,713	10.43	834	79.7%	2,780	10.90
Total Departmental Expenses	14,434	36.0%	48,113	220.37	15,686	34.9%	52,287	215.42	16,547	34.4%	55,157	216.17	16,960	34.4%	56,533	221.57
Total Departmental Profit	25,656	64.0%	85,520	391.71	29,275	65.1%	97,583	402.04	31,604	65.6%	105,347	412.88	32,394	65.6%	107,980	423.20
Undistributed Operating Expenses																
Administrative & General	2,606	6.5%	8,687	39.79	2,820	6.3%	9,400	38.73	2,969	6.2%	9,897	38.79	3,043	6.2%	10,143	39.75
Information & Telecomm Systems	481	1.2%	1,603	7.34	521	1.2%	1,737	7.15	548	1.1%	1,827	7.16	562	1.1%	1,873	7.34
Sales and Marketing/Franchise Fees	2,606	6.5%	8,687	39.79	2,820	6.3%	9,400	38.73	2,969	6.2%	9,897	38.79	3,043	6.2%	10,143	39.75
Prop. Oper. & Maintenance	1,263	3.1%	4,209	19.28	1,443	3.2%	4,810	19.82	1,599	3.3%	5,330	20.89	1,639	3.3%	5,463	21.41
Utilities	1,403	3.5%	4,677	21.42	1,519	3.4%	5,063	20.86	1,599	3.3%	5,330	20.89	1,639	3.3%	5,463	21.41
Total Undistributed Oper. Expenses	8,359	20.8%	27,862	127.62	9,123	20.3%	30,410	125.29	9,684	20.1%	32,280	126.51	9,926	20.1%	33,087	129.67
Gross Operating Profit	17,297	43.1%	57,658	264.09	20,152	44.8%	67,173	276.75	21,920	45.5%	73,067	286.36	22,468	45.5%	74,893	293.52
Management Fees	1,203	3.0%	4,010	18.37	1,349	3.0%	4,497	18.53	1,445	3.0%	4,817	18.88	1,481	3.0%	4,937	19.35
Income Before Non-Oper. Expenses	16,094	40.1%	53,648	245.72	18,803	41.8%	62,677	258.22	20,475	42.5%	68,250	267.49	20,987	42.5%	69,957	274.18
Non-Operating Expenses																
Property Tax	1,203	3.0%	4,010	18.37	1,233	2.7%	4,110	16.93	1,264	2.6%	4,213	16.51	1,295	2.6%	4,317	16.92
Insurance	481	1.2%	1,603	7.34	493	1.1%	1,643	6.77	505	1.0%	1,683	6.60	518	1.0%	1,727	6.77
Reserve for Replacement	802	2.0%	2,673	12.24	1,349	3.0%	4,497	18.53	1,926	4.0%	6,420	25.16	1,974	4.0%	6,580	25.79
Total Non-Operating Expenses	2,486	6.2%	8,287	37.96	3,075	6.8%	10,250	42.23	3,695	7.7%	12,317	48.27	3,787	7.7%	12,623	49.47
Net Income/EBITDA Less Reserve	\$13,608	33.9%	\$45,361	\$ 207.77	\$15,728	35.0%	\$52,427	\$ 215.99	\$16,780	34.8%	\$55,933	\$ 219.22	\$17,200	34.9%	\$57,333	\$ 224.70

Source: Hotel & Leisure Advisors

Our analysis indicates that the development of the proposed 300-key indoor waterpark resort with approximately 60,000 square feet of indoor waterpark area produces a positive return. The market area surrounding the representative subject site contains few indoor waterpark resorts, which are popular with families for short vacations and getaways. We analyzed the discounted cash flow result for the resort utilizing a 11.0% discount rate and a 9.0% terminal capitalization rate. The discounted cash flow as completed indicates a conclusion of \$179,000,000 or \$596,667 per available hotel room for the development. The discounted cash flow as stabilized indicates a conclusion of \$190,800,000 or \$636,000 per available hotel room for the development. The value conclusions are not meant to be market value because there are still many unknowns concerning the subject project, but they are presented as an analysis of value utilizing typical parameters performed in the income capitalization approach for an appraisal.

Area Review

The neighborhood surrounding the representative subject site contains uses that are primarily related to residential, commercial, and hospitality. Overall, Page County is sparsely developed. The representative subject site is along the Shenandoah River just north of the Luray Caverns Airport. The site is not visible from the region's major highways but access from US 211/340 is easy. From a tourist perspective, leading attractions in the area are the Shenandoah National Park, Luray Caverns, Massanutten Resort & Waterpark, and the numerous historic sites and attractions in the Washington DC area.

The 180-mile radius around Page County has over 24 million people, which is greater than the number of people around the same radius for Wisconsin Dells, Wisconsin, and Sandusky, Ohio, where indoor waterpark resorts are popular. The median household income in the 180-mile radius is currently estimated at \$83,311 in 2021, which is strong. There are more family households per existing indoor waterpark resort room and higher income levels in the Page County region than in the two comparable regions, indicating a favorable potential for a new indoor waterpark resort development.

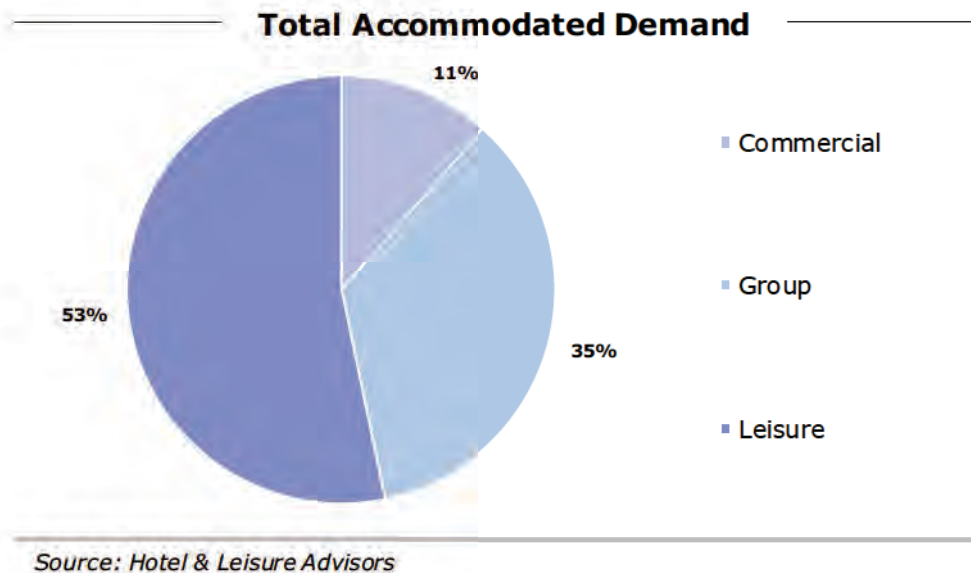
Competitive Hotel Market

The proposed indoor waterpark resort will be the newest resort hotel with an indoor waterpark in the regional market. With its proper theming and wide range of amenities, including the indoor waterpark, it will be a unique facility within the market. We analyzed a grouping of competitive hotels, including regional resorts with and without indoor waterparks. The following table provides their operating performance.

Competitors' Operating Performance										
Proposed Destination Resort - Page County										
Year	Annual Supply	% Change	Demand	% Change	Occupancy	% Change	ADR	% Change	RevPAR	% Change
2014	834,025		523,062		62.7%		\$201.39		\$126.30	
2015	834,025	0.0%	531,898	1.7%	63.8%	1.7%	\$208.66	3.6%	\$133.07	5.4%
2016	833,719	-0.0%	539,714	1.5%	64.7%	1.5%	\$212.81	2.0%	\$137.77	3.5%
2017	833,691	0.0%	532,192	-1.4%	63.8%	-1.4%	\$215.90	1.5%	\$137.82	0.0%
2018	834,025	0.0%	538,083	1.1%	64.5%	1.1%	\$216.90	0.5%	\$139.94	1.5%
2019	834,239	0.0%	544,768	1.2%	65.3%	1.2%	\$220.54	1.7%	\$144.01	2.9%
2020	701,773	-15.9%	237,397	-56.4%	33.8%	-48.2%	\$212.92	-3.5%	\$72.03	-50.0%
2021	836,798	19.2%	403,740	70.1%	48.2%	42.6%	\$290.61	36.5%	\$140.21	94.7%
Average	817,787	0.5%	481,357	2.5%	58.4%	-0.2%	\$222.47	6.0%	\$128.89	8.3%

Source: STR and Hotel & Leisure Advisors

The existing competitive supply is primarily focused on leisure demand with a smaller amount of commercial and group demand. The market achieves its highest occupancy levels in the summer.



Indoor Waterpark Attendance

We analyzed the potential demand for a 60,000-square-foot indoor waterpark facility with an adjacent outdoor water play area. The following table indicates our projections of attendance and indoor waterpark revenue from the connected subject hotel and local daily attendance.

Forecasted Indoor Waterpark Attendance and Revenue					
	2025	2026	2027	2028	2029
Proposed Destination Resort - Page County					
Subject property occupied rooms	65,498	72,816	76,546	76,546	76,546
Waterpark package occupied rooms	58,937	65,523	68,879	68,879	68,879
Forecasted attendance	253,431	281,747	296,178	296,178	296,178
Local residents and daily visitors					
Annual attendance	22,509	21,608	21,608	21,608	21,608
Average waterpark ticket price	\$57.50	\$58.94	\$60.41	\$61.92	\$63.47
Forecasted revenue	\$1,294,000	\$1,273,549	\$1,305,388	\$1,338,022	\$1,371,473
Total					
Waterpark attendance	275,940	303,356	317,786	317,786	317,786
Available capacity (1,500 / day)	547,500	547,500	547,500	547,500	547,500
Usage percentage	50.4%	55.4%	58.0%	58.0%	58.0%
Forecasted ticket revenue	\$1,294,000	\$1,274,000	\$1,305,000	\$1,338,000	\$1,371,000
Cabanas and locker rentals revenue	\$1,170,000	\$1,199,000	\$1,229,000	\$1,260,000	\$1,292,000
Total revenue	\$2,464,000	\$2,473,000	\$2,534,000	\$2,598,000	\$2,663,000
Forecasted attendance per square foot	4.6	5.1	5.3	5.3	5.3
Demand sources					
Proposed Destination Resort - Page County	91.8%	92.9%	93.2%	93.2%	93.2%
Daily visitors	8.2%	7.1%	6.8%	6.8%	6.8%
Note: Waterpark has 60,000 square feet					
Source: Hotel & Leisure Advisors					

Subject Development Outlook

Overall, our study revealed that the proposed subject hotel development is feasible depending upon the location, construction costs and available municipal incentives. The subject's location within 90 minutes of the Washington DC MSA and its proximity to the Shenandoah National Park are its strongest attributes due to the high levels of household and disposable income and the number of persons who visit the national park. Additionally, the subject will represent Page County's only full-service lodging option with substantial meeting space, which is a positive. Our study considered the development of a resort without an indoor waterpark, but our research indicates that the resort would achieve a lower occupancy and ADR performance due to the lack of reasons to visit the market in the winter. We project a resort development without an indoor waterpark would be less financially feasible than one with an indoor waterpark. The proposed hotel is projected to earn a positive rate of return and out-penetrate the local competitive set of hotels. It may require municipal incentives in the form of a property tax abatement, sales and bed tax rebates, or assistance with infrastructure costs to provide sufficient incentive for a developer to go ahead with the project.

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

We assume that qualified professional hospitality management with demonstrated expertise in management of hotels and indoor waterparks will operate the subject

property. We assume that adequate funds will be available for upkeep and repair of the facility.

The location and amenities of the proposed hotel with indoor waterpark, and the details concerning its structure, are still in the idea stage. The financial projections shown in this report may change depending upon the type of facility and amenities utilized. As these plans are determined, they could have a material impact on this study.

There are no other extraordinary assumptions or hypothetical conditions.

COMPETENCY OF THE CONSULTANTS

Hotel & Leisure Advisors, LLC is a national hospitality consulting firm specializing in appraisals, feasibility studies, economic impact studies, and impact analyses for hotels, outdoor and indoor waterparks, resorts, ski resorts, golf courses, restaurants, conference and convention centers, and other leisure real estate. We work exclusively in the hospitality industry and concentrate our efforts on in-depth understanding of the trends and factors related to this industry. Our participation in industry associations and trade groups keeps us abreast of developments affecting our clients and gives us access to rich sources of data. We follow news and transactions occurring in the hospitality industry on a daily basis. The consultants have completed more than 3,000 hotel studies since 1987 at various firms. Mr. David J. Sangree, MAI, CPA, ISHC has written articles about hotels, resorts, and waterparks for *Hotel Management*, *Lodging Hospitality*, *World Waterpark Magazine*, *Midwest Real Estate News*, *Aquatics Magazine*, *Hotel Online*, and *Cornell Hotel and Restaurant Administration Quarterly* and is a national expert on these types of properties. He has appeared on Good Morning America, CNBC, and Fox8 News in segments concerning hotels, resorts and waterparks. He has inspected most of the open indoor waterpark resorts in North America. We maintain databases and files concerning various types of hospitality properties. Therefore, we possess the knowledge and experience to conduct the inspection, analysis, and reasoning necessary to estimate the feasibility of the subject.

STANDARD CONDITIONS

The following Standard Conditions apply to real estate consulting engagements and appraisals by Hotel & Leisure Advisors, LLC (H&LA). Extraordinary Assumptions are added as required.

1. The report is to be used in whole and not in part. The report, engagement letter and these standard conditions constitute the entire understanding and agreement between the parties with respect to the subject matter hereof and supersedes any and all prior or current agreements or understandings between the parties, whether in writing or orally. The report and engagement letter may not be amended except in writing signed by the parties hereto. These standard conditions shall survive the completion of the assignment.
2. Publication of the report or engagement letter without the prior written consent of H&LA is prohibited unless otherwise stated in the letter of engagement. Neither the report nor engagement letter may be used by any person other than the party to whom they are addressed nor may they be used for purposes other than that for which they were prepared. Neither the engagement letter, nor the report, nor

their contents, nor any reference to the appraisers or H&LA or any reference to the Appraisal Institute, International Society of Hospitality Consultants, American Institute of Certified Public Accountants, or the American Institute of Architects, (or the MAI, ISHC, CPA or AIA designations) may be included or quoted in any offering circular or registration statement, prospectus, sales brochure, other appraisal, loan, or other agreement or document without H&LA's prior written permission, in its sole discretion. Moreover, "H&LA" is a registered trademark of Hotel & Leisure Advisors, LLC. The client agrees that in event of a breach of this Section 2, in addition to any other rights and remedies of H&LA, and hereby consents to injunctive relief.

3. No responsibility is assumed for the legal description or any matters which are legal in nature. Title to the property is assumed to be good and marketable and the property is assumed to be free and clear of all liens unless otherwise stated. No survey of the property was performed. Sketches, maps, photos, or other graphic aids included in the reports are intended to assist the reader in ready identification and visualization of the property and are not intended for technical purposes.
4. The information contained in the assignment is based upon data gathered from sources the consultant or appraiser assumes to be reliable and accurate. Some of this information may have been provided by the owner of the property. Neither the consultants nor H&LA shall be responsible for the accuracy or completeness of such information including the correctness of public records or filings, estimates, opinions, dimensions, sketches, exhibits, and other factual matters.
5. The report may contain prospective financial information, estimates, or opinions that represent the consultants' or appraisers' view of reasonable expectations at a particular point in time. Such information, estimates, or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, that events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by H&LA's prospective financial analyses will vary from those described in the report, and the variations may be material. The financial projections stated in the report and any opinions of value are as of the date stated in the report. Changes since that date in external and market factors or in the property itself can significantly affect property value or performance.
6. H&LA has not considered the presence of potentially hazardous materials and contaminants such as asbestos, urea formaldehyde foam insulation, toxic waste, PCBs, pesticides, mold, lead-based paints, or other materials. The appraisers and consultants are not qualified to detect or report on hazardous material contamination and H&LA urges the client to retain an expert in this field if desired.
7. Unless noted, H&LA assumes there are no encroachments, zoning violations, or building violations encumbering the subject property. It is assumed that the property will not be operated in violation of any applicable government regulations, zoning, codes, ordinances, or statutes. No responsibility is assumed for architectural design and building codes. The analysis and concept drawings included in the report are not intended for technical purposes.

8. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless specified otherwise.
9. Real estate consulting engagements and appraisal assignments are accepted with the understanding that there is no obligation to furnish services after completion of the original assignment. We are not required to give testimony or attendance in court by reason of this analysis without previous arrangements, and the client will be obligated to pay in advance for the standard per diem fees and travel costs.
10. No significant change is assumed in the supply and demand patterns indicated in the report. The appraisal or consulting engagement assumes market conditions as observed as of the current date of the market research stated in the letter of transmittal. These market conditions are believed to be correct; however, H&LA or the consultants assume no liability should market conditions materially change because of unusual or unforeseen circumstances.
11. The quality of a lodging facility or other leisure property's management has a direct effect on the property's economic viability. It should be specifically noted by any prospective reader that the engagement assumes that the property will be competently managed, leased, and maintained by financially sound owners over the expected period of ownership. H&LA is not responsible for future marketing efforts and other management or ownership actions upon which actual results will depend.
12. The forecast of income and expenses are not predictions of the future. Rather, they are the consultants' best estimates of current market thinking on future income and expenses. We do not warrant that the estimates will be obtained, but that they have been prepared in a conscientious manner on the basis of information obtained during the course of this study.
13. The subject property is valued assuming all items of furniture, fixtures, equipment, working capital, and inventory are in place. Should items essential in the operation of the hotel prove to be missing, we reserve the right to amend the opinion of value expressed in an appraisal report.
14. H&LA does not, as part of this consulting report or appraisal, perform an audit, review, or examination (as defined by the American Institute of Certified Public Accountants) of any of the historical or prospective financial information used and therefore, does not express any opinion with regard to it.
15. The consulting engagement or appraisal report has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice and the Code of Ethics of the Appraisal Institute. No other code, ordinance, rule or regulation of any kind or nature whatsoever shall apply.
16. It is agreed that the maximum damages recoverable from H&LA or its affiliates or their respective employees relative to this engagement shall be the amount of the money actually collected by H&LA or its affiliates for work performed pursuant to the engagement letter. The client acknowledges that H&LA cannot and does not guarantee and makes no representations as to the success of the project. H&LA shall not be liable for any incidental, breach of warranty, consequential or punitive

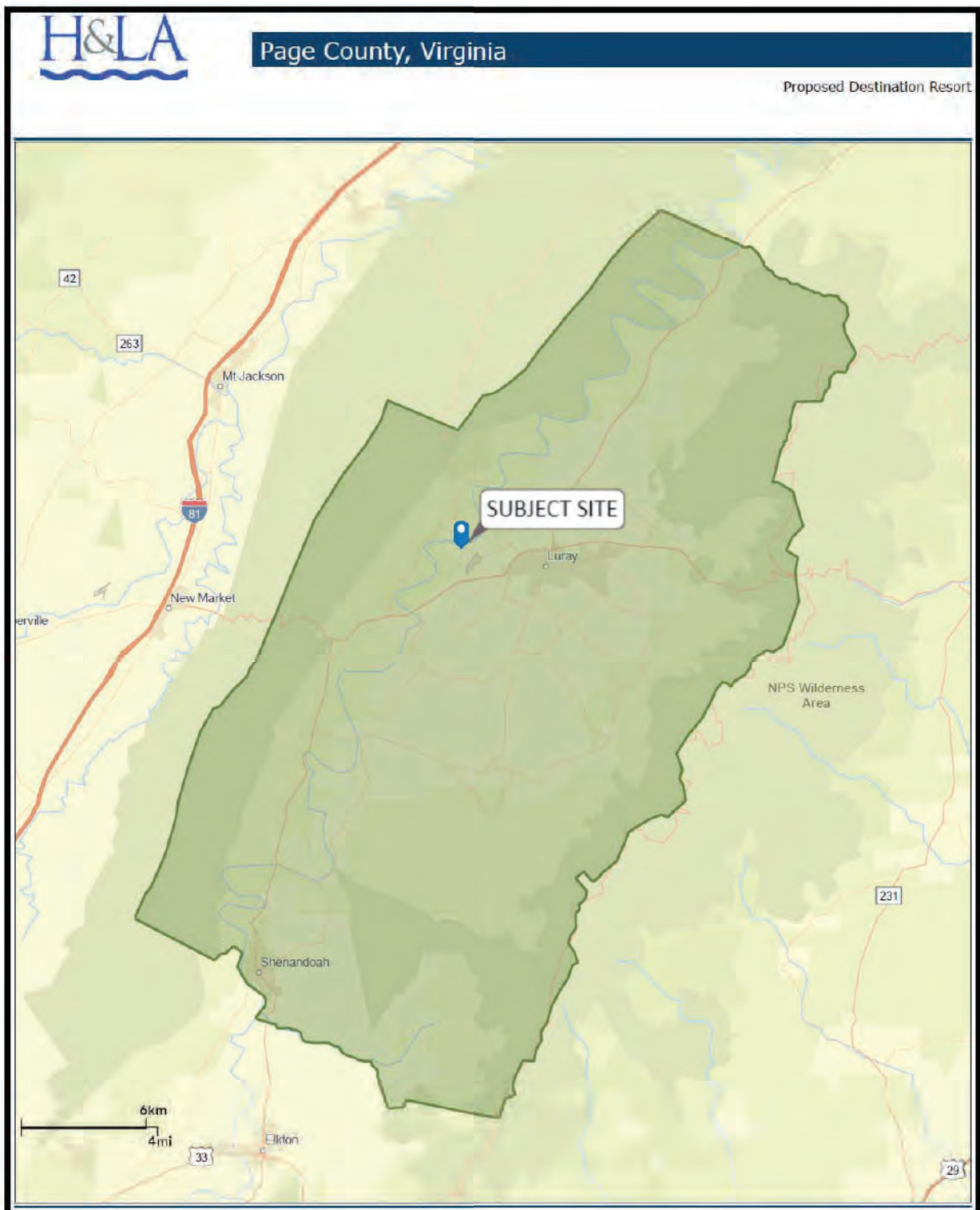
damages, expenses, costs or losses whatsoever directly or indirectly arising out of the services performed hereunder (including negligence and/or gross negligence). In addition, there is no accountability or liability to any third party.

17. The client hereby releases and discharges H&LA, its directors, officers, and employees, from and against any and all claims and demands of any nature or kind whatsoever arising as a result of the design, development, operations, and performance of the proposed or existing project. The client furthermore agrees to indemnify, defend and hold harmless H&LA and its directors, officers and employees, from any and all claims of any nature whatsoever, including attorney fees, expenses and costs.
18. The report does not address the project's compliance with the federal statute commonly known as the Americans with Disabilities Act as well as regulations and accessibility guidelines promulgated thereunder.
19. The provisions of the report, the engagement letter and these standard conditions shall be severable, and if a court of competent jurisdiction holds any provisions of the report, engagement letter and these standard conditions invalid, illegal or unenforceable, the remaining provisions shall nevertheless remain in full force and effect as written.

AREA REVIEW

The feasibility of a resort project is influenced in a general manner by the economic, political, physical, and social characteristics of its surrounding area. During our inspection, we identified the Caverns Country Club Resort as a representative subject site for the proposed destination resort. The subject site is in an unincorporated area just outside the town of Luray, Page County, Virginia.

The following map shows the location of the subject site within Page County.



Page County is in northern Virginia, approximately 60 miles north of Charlottesville and 90 miles west of Washington DC. Part of the Shenandoah Valley region of Virginia, the town of Luray lies just west of Shenandoah National Park. The representative subject site

is on the grounds of the Caverns Country Club Resort, just south of the Shenandoah River and north of US Route 211/340, Luray's main commercial corridor.

According to The Appraisal of Real Estate, 15th Edition, published by the Appraisal Institute, all real estate markets are influenced by the attitudes, motivations, and interactions of buyers and sellers of real property, which in turn are subject to various social, economic, governmental, and environmental forces. Analysis of these forces is performed by investigating specific factors pertaining to each. With a hospitality property, particular emphasis is placed on trends affecting visitation to the area.

Social Forces

In performing a market area analysis, it is necessary to identify relevant social characteristics and influences. Those characteristics that influence property values most in a community tend to overlap. Price levels in the subject market in relation to prices in competing areas reflect the overall desirability of the subject market area. Relevant demographic characteristics include population density, employment categories, age levels, household size, and employment status. This section of the report will present demographics and income figures for Luray, Page County, and the state of Virginia based on official Census findings and estimates and projections from the Environmental Systems Research Institute (ESRI).

Population Trends: The following table presents population growth trends for the subject area.

Population Growth Trends							
Luray, Virginia							
Area	2000 Census	2010 Census	2021 Est.	2026 Proj.	%Change 2000-10	%Change 2010-21	%Change 2021-26
Luray	4,884	4,902	4,891	4,823	0.4%	-0.2%	-1.4%
Page County	23,177	24,042	24,772	24,646	3.7%	3.0%	-0.5%
Virginia	7,078,515	8,001,024	8,695,186	9,017,064	13.0%	8.7%	3.7%

Sources: U.S. Census Bureau, ESRI

These numbers highlight the relatively small population of the local market area. While the town and county both saw a small measure of population growth over the past two decades, the rate of growth was well below the state level. It is important to note that these figures represent permanent, year-round residents only and do not include those with vacation homes in the area.

Households: Household consumption plays a critical role in the economic outlook of a region. A household includes all the people who occupy a housing unit (such as a house or apartment) as their usual place of residence. The following table presents household growth trends for the subject area.

Household Growth Trends

Luray, Virginia

Area	2000 Census	2010 Census	2021 Est.	2026 Proj.	%Change 2000-10	%Change 2010-21	%Change 2021-26
Luray	2,012	2,060	2,053	2,026	2.4%	-0.3%	-1.3%
Page County	9,305	9,746	10,013	9,953	4.7%	2.7%	-0.6%
Virginia	2,699,173	3,056,058	3,314,697	3,432,960	13.2%	8.5%	3.6%

Sources: U.S. Census Bureau, ESRI

Once again, these figures depict a sparsely populated area that has experienced only modest growth over the past several years. Unlike the state of Virginia as a whole, the local market area is projected to see a net decline in total households over the period of 2021 to 2026.

Retail Centers: According to the U.S. Travel Association, shopping is one of the most frequent travel activities among domestic leisure travelers, second only to visiting relatives. While there may be many types of retail stores in a given area, travelers are typically drawn to traditional enclosed malls, outlet malls, downtown shopping districts, and outdoor “lifestyle” centers.

The potential subject site is about two miles north of the West Luray Shopping Center, a mid-sized retail strip anchored by Tractor Supply Co. and Food Lion. Just east of the shopping center is a Walmart Supercenter and a number of food options including McDonald’s, Flotzies Soft Serve, Dunkin’, and Burger King. Located along US Route 211, Luray’s main commercial corridor, this area is home to about a dozen individual stores, restaurants, and service providers. The Luray area also offers a wide variety of small, locally owned shops for visitors to enjoy, such as gift shops, antique shops, art galleries, craft shops, farmers markets, and specialty food stores.

Tourism Statistics: Tourism is a major economic driver for the state of Virginia. In 2019, direct visitor spending in the state totaled nearly \$29.1 billion, an increase of 4.3% over the previous year. Based on the state’s delineations, the subject site is part of the Shenandoah Valley travel region, which includes 14 counties and independent cities in northern and central Virginia. The following table shows annual visitor spending in the county, region, and state from 2016 to 2020, the most recent year for which this type of data was available.

Direct Visitor Spending (\$Millions), 2016-2020

Page County and the Shenandoah Valley Region

	Page County	% Change	Shenandoah Valley	% Change	Virginia	% Change
2016	\$79.6	—	\$1,174.4	—	\$25,194.5	—
2017	\$81.4	2.2%	\$1,215.7	3.5%	\$26,364.8	4.6%
2018	\$87.2	7.1%	\$1,294.4	6.5%	\$27,873.8	5.7%
2019	\$90.1	3.3%	\$1,340.5	3.6%	\$29,064.7	4.3%
2020	\$72.9	-19.1%	\$997.8	-25.6%	\$17,516.3	-39.7%

Source: Tourism Economics

From 2016 to 2019 visitor spending in the Shenandoah Valley equaled about 4.6% of the total spending in Virginia. In 2020, the region's share of the state total rose to 5.7%. Similarly, Page County's share of the regional total also increased during the first year of the pandemic. Overall, these numbers suggest that the local market area was less sharply affected by the pandemic than the larger areas to which it belongs.

The Virginia Tourism Corporation, in partnership with TNS-TravelTrakAmerica, releases survey-based profiles of travel parties to each of the state's 10 travel regions. Among travel parties visiting the Shenandoah Valley region during fiscal year 2019, the average trip length was 3.7 nights and the average amount spent was \$616. The average travel party size was 2.7 persons, and 29% of all parties consisted of adults traveling with children. The top states of origin were Virginia (38%), Maryland (8%), West Virginia (7%), North Carolina (6%), and Pennsylvania (6%). The top designated market areas (DMAs) of origin were Washington DC (23%), Roanoke-Lynchburg (8%), Richmond-Petersburg (8%), Norfolk-Portsmouth-Newport News (5%), and New York (5%). The overwhelming majority (87%) of visitors to the region traveled via their own automobile, while only 6% traveled by plane.

Recreation and Regional Attractions: Recreational facilities and regional attractions enhance an area's quality of life. These activities also have a significant economic impact on an area by increasing the demand for services and retail trade created by visitors. Tourists in turn tend to generate lodging demand on weekends, holidays, and summer months, offsetting commercial visitations during weaker periods. The following table lists major attractions in the area.

Major Tourist Attractions	
Subject Area	
Attraction	Location
Luray Caverns	Luray, VA
Car & Carriage Caravan Museum	Luray, VA
Luray Zoo - A Rescue Zoo	Luray, VA
Luray Valley Museum	Luray, VA
Shenandoah National Park	Northwest Virginia
Massanutten Resort & Waterpark	Massanutten, VA

Source: Hotel & Leisure Advisors

The primary attraction in the subject's market area is Shenandoah National Park. Covering nearly 200,000 acres of land, this long, narrow park is bound by the Shenandoah River and Valley to the west, and by the hills of the Virginia Piedmont to the east. The park holds over 500 miles of multi-use trails, including 101 miles of the famed Appalachian Trail. The main road through the park is Skyline Drive, which stretches for 105 miles, from Front Royal on the northern end to the southern terminus at Rockfish Gap. Shenandoah National Park offers abundant opportunities for outdoor recreation and sightseeing. Popular activities include hiking, horseback riding, biking, camping, fishing, waterfall viewing, wildlife watching, and scenic drives.

The next table shows the number of recreation visitors to Shenandoah National Park for each of the past 10 years, based on statistics reported by the National Park Service.

Shenandoah National Park

Annual Visitation

	Recreation Visitors	% Change
2012	1,210,200	—
2013	1,136,505	-6.1%
2014	1,255,321	10.5%
2015	1,321,873	5.3%
2016	1,437,341	8.7%
2017	1,458,874	1.5%
2018	1,264,880	-13.3%
2019	1,425,507	12.7%
2020	1,666,265	16.9%
2021	1,592,312	-4.4%
5-Year Average	1,481,568	
10-Year Average	1,376,908	

Source: National Park Service

Despite the decline in 2018, which correlates to the federal government shutdown of that year, Shenandoah National Park saw significant visitation growth over the past decade. That trend was amplified in 2020 as travelers increasingly sought out open-air, distanced vacation options amid the pandemic. While the number of visitors dropped slightly in 2021 to just under 1.6 million, this was still above the five- and 10-year averages.

The National Park Service also tracks visitation on a monthly basis. The next table shows monthly recreation visits for each of the past three years.

Shenandoah National Park

Monthly Visitation

	Recreation Visits			% Change	% Change
	2019	2020	2021	2019-20	2020-21
January	20,245	27,236	37,588	34.5%	38.0%
February	10,264	35,473	9,991	245.6%	-71.8%
March	38,601	133,333	76,682	245.4%	-42.5%
April	102,672	11,514	117,830	-88.8%	923.4%
May	150,297	46,903	152,924	-68.8%	226.0%
June	170,492	180,311	162,890	5.8%	-9.7%
July	167,335	244,677	198,114	46.2%	-19.0%
August	195,579	222,592	165,056	13.8%	-25.8%
September	176,271	202,100	161,016	14.7%	-20.3%
October	236,554	365,398	295,326	54.5%	-19.2%
November	127,014	152,674	168,956	20.2%	10.7%
December	30,183	44,054	45,939	46.0%	4.3%
Total	1,425,507	1,666,265	1,592,312	16.9%	-4.4%

Source: National Park Service

As these figures illustrate, monthly park visitation varied dramatically over the past two years as travel habits changed throughout the various stages of the pandemic. In all three years, the park's busiest month was October, the time of year when visitors come to view the spectacular fall colors. The next busiest periods tend to be the months of June, July, August, and September.

Notable attractions in and around the town of Luray include Luray Caverns, Luray Zoo, Cooter's Place in the Valley, and the Luray Valley Museum. One of the nation's largest commercial cave attractions, Luray Caverns also features the Car & Carriage Caravan Museum, Toy Town Junction, Shenandoah Heritage Village, The Garden Maze, and Rope Adventure Park.

The following table shows the driving distance from the subject site to prominent attractions in the surrounding area.

Estimated Driving Distance from Subject Site

	Miles
Caverns Country Club Resort	<0.1
Luray Caverns Airport	1.3
Page County Heritage Museums	1.6
Luray Zoo - A Rescue Zoo	2.1
Luray Caverns	2.3
Car & Carriage Caravan Museum	2.7
Luray RV Resort on Shenandoah River	3.5
Cooter's Place in the Valley	3.7
Luray-Page County Visitor Center	4.0
Luray Valley Museum	6.1
Yogi Bear's Jellystone Park	7.9
Bear Mountain Ziplines	8.1
Shenandoah National Park	9.5
Shenandoah Speedway	15.5
Shenandoah Caverns	18.2
Massanutten Resort & Waterpark	29.6
Shenandoah Valley Regional Airport	46.3
Charlottesville-Albemarle Airport	52.6

Source: RandMcNally.com

Economic Forces

Economic considerations relate to the financial capacity of a market area's occupants and their ability to purchase goods and services. Among the economic factors that can be considered in this type of analysis are median household income levels, per capita income, income distribution for households, unemployment levels, and the amount and type of economic development in a given area.

Income: The economic vitality of an area is an important consideration in forecasting the demand and potential income for commercial real estate. The following table lists median household income estimates for the subject area.

Median Household Income Estimates

Luray, Virginia

Area	2021 Est.	2026 Proj.	%Change 2021-26
Luray	\$49,818	\$51,231	2.8%
Page County	\$52,131	\$54,742	5.0%
Virginia	\$76,448	\$82,458	7.9%

Sources: U.S. Census Bureau, ESRI

As indicated, the median household income in Page County is well below the state level. As an additional point of comparison, the median household income for the United States as a whole is estimated at \$64,730 for 2021. Over the period of 2021 to 2026, the local market area is projected to see slower income growth than the state of Virginia as a whole.

Industries and Employment

Information on the size of a region's labor force and the relative trends in employment and unemployment are key local economic indicators.

Unemployment Rates: The widely cited unemployment rate provides a good measure of the relative utilization of labor in a region. These measures are "residency-based," providing current information on the labor force status of the residents of a county or region. The following table presents unemployment rates for the subject area. Figures for Luray are not included here because the Bureau of Labor Statistics does not track unemployment in communities of fewer than 25,000 residents.

Historical Unemployment Rates

	2016	2017	2018	2019	2020
Page County	5.5%	5.1%	4.1%	3.7%	7.3%
Virginia	4.0%	3.7%	3.0%	2.8%	6.2%
United States	4.9%	4.4%	3.9%	3.7%	8.1%

Source: U.S. Department of Labor, Bureau of Labor Statistics

Page County tends to experience higher levels of unemployment than the state at large. Unemployment rates experienced a sharp uptick in 2020 amid the pandemic. The Bureau of Labor Statistics also tracks unemployment on a monthly basis. Preliminary figures for December 2021 indicate an unemployment rate of 3.0% in Page County and 2.7% in the state of Virginia. These monthly numbers point to a strong recovery and mark a vast improvement over the worst periods of 2020 and 2021.

Employment by Industry: The distribution of employment helps determine the economic character of an area. The following table shows the three largest industrial sectors in terms of the estimated number of persons employed in 2021 for each geographic area.

Largest Industrial Sectors, 2021						
Luray, Virginia						
	Largest industrial sector		2nd largest industrial sector		3rd largest industrial sector	
	Industry	% of employees	Industry	% of employees	Industry	% of employees
Luray	Retail Trade	21.2%	Manufacturing	16.0%	Public Administration	11.6%
Page County	Retail Trade	15.5%	Manufacturing	13.7%	Accommodation/ Food Services	13.3%
Virginia	Health Care/ Social Assistance	14.2%	Retail Trade	12.3%	Educational Services	10.3%

Source: ESRI

The leading sector in Page County is Retail Trade, followed closely by Manufacturing. Employment in the Accommodation/Food Services sector is a reliable indicator of the importance of travel and tourism to a local economy. In 2021, this sector accounted for an estimated 9.7% of the overall employment in Luray, 13.3% in Page County, and 9.0% in Virginia. This comparison suggests that hospitality-oriented businesses like hotels, motels, rental cabins, and restaurants are of greater relative importance to Page County than to the state as a whole.

The next table shows the total annual employment in Page County and the state of Virginia for the years 2016 through 2020, plus the latest monthly numbers for 2021 as compared to the same period in 2020.

Total Employment, 2016-2020				
	Page County	% Change	Virginia	% Change
2016	10,971	—	4,084,822	—
2017	11,321	3.2%	4,193,290	2.7%
2018	11,452	1.2%	4,255,213	1.5%
2019	11,661	1.8%	4,332,647	1.8%
2020	11,147	-4.4%	4,097,860	-5.4%
December 2020	11,057		4,050,753	
December 2021, Preliminary	11,748	6.2%	4,155,254	2.6%

Source: U.S. Department of Labor, Bureau of Labor Statistics

Despite the loss of more than 500 jobs in 2020 amid the pandemic, Page County experienced a small net increase in total employment over the five-year period shown. By December 2021, employment in the county had increased by 6.2% since December 2020, which was above the rate of growth recorded at the state level. These numbers further show that, as of year-end 2021, the area had already surpassed pre-pandemic levels of employment.

Major Employers: The demand for hotels is closely tied to the types of businesses in an area, their economic strengths, and their growth potential. The largest employers in the area are listed in the following table.

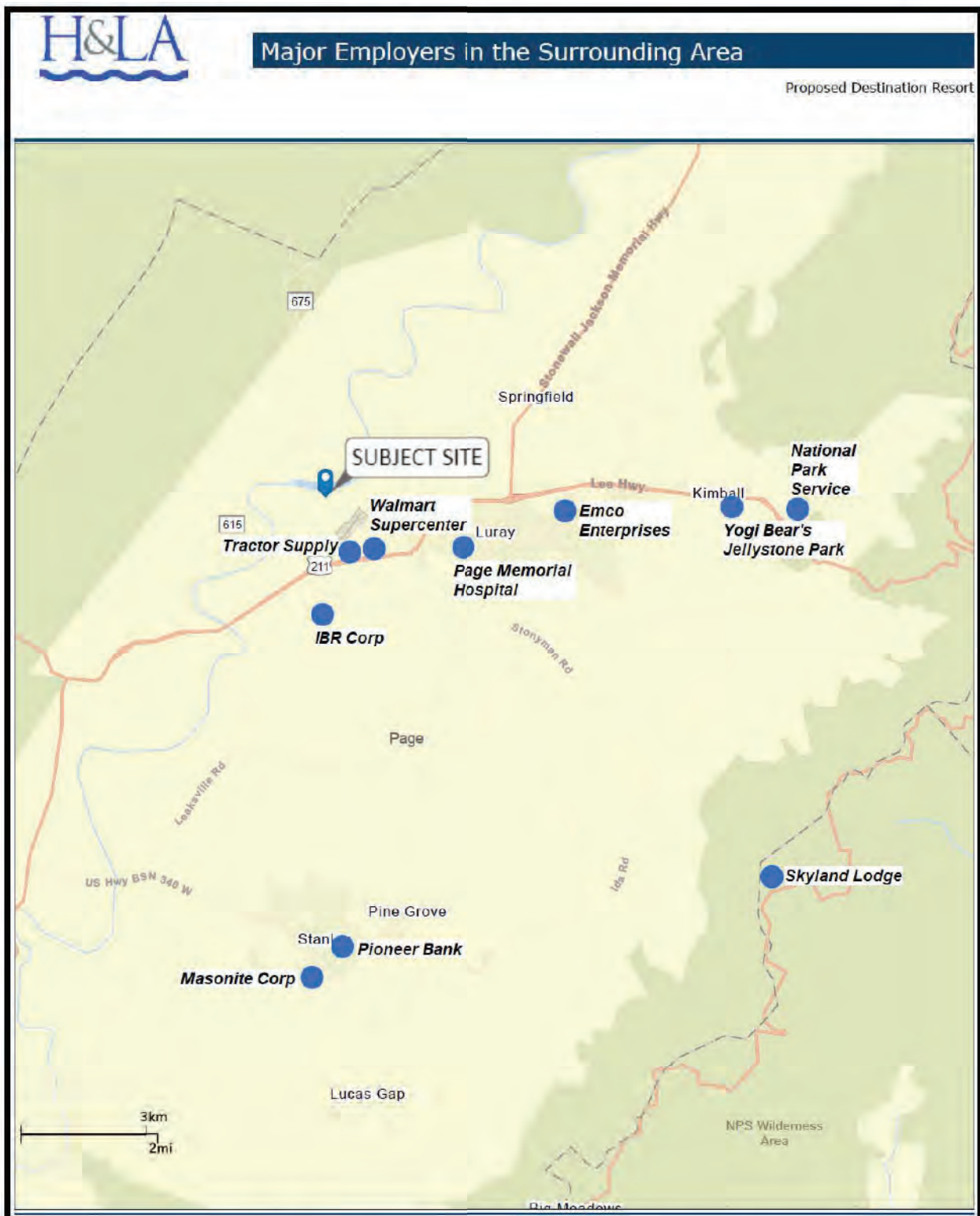
Major Employers in Page County, Virginia

Firm/Organization	Location	#Employees	Industry Description
Emco Enterprises Inc	Luray	250 to 499	Mfg, Windows & Doors
Walmart Supercenter	Luray	100 to 249	Retail
Masonite Corp	Stanley	100 to 249	Mfg, Doors
Skyland Lodge	Luray	100 to 249	Hotels & Motels
Page Memorial Hospital	Luray	100 to 249	Health Care
KVK Precision Specialties	Shenandoah	100 to 249	Machine Shops
Sullivan Mechanical Contractors Inc	Shenandoah	50 to 99	Heating Contractors
Yogi Bear's Jellystone Park	Luray	50 to 99	Campgrounds
IBR Corp	Luray	50 to 99	Landscape Contractors
Pioneer Bank	Stanley	20 to 49	Financial Services

Source: Reference Solutions, March 2022

Beyond Page County, other major employers in the Shenandoah Valley region include Augusta Health, Cargill, Hershey, James Madison University, Merck, Pilgrim's Pride, Sentara RMH Medical Center, and the Massanutten Resort.

The next map illustrates the location of the subject site in relation to major employers in the surrounding area.



New Developments: The following bullets describe recent developments that will influence tourism, employment, and the general economy in the area.

- Shenandoah National Park received a record-high 1.7 million visitors in 2020, an increase of about 17% over 2019. This sharp increase was largely attributable to the COVID-19 pandemic, which had a severe impact on travel and tourism nationwide. Visitation in 2021 remained above historic levels, as visitors continued to seek out outdoor, easily distanced travel options amid the pandemic.
- The former Outlanders River Camp in Luray was recently purchased by the Blue Water chain of campgrounds, hotels, and attractions. The Maryland-based company has since renamed the property Luray RV Resort on Shenandoah River and is planning a substantial redevelopment that will include the addition of 75 new cabins, 150 RV sites, 60 glamping tents, and recreational aquatics features. This project represents a total investment of around \$30 million.
- The nearby city of Harrisonburg, Virginia, has seen a significant amount of new hotel development in recent years for a community of its size. Highlights have included the opening of a new Tru by Hilton Hotel in mid-2020; a full renovation of the Holiday Inn Express Harrisonburg in 2021; and a new Hyatt Place hotel, which opened in late 2021.
- Plans for a new wellness resort called the Simply Shenandoah Nature Retreat were announced in early 2022. Located near Strasburg, Virginia, this 550-acre property will feature a mix of cabins and treehouses; a dining facility; a fitness center; and a spa and aquatics center. The development group behind this project, Wellmore Partners, has stated that the resort will employ around 250 workers when it opens in June of 2024.

Governmental Forces

Governmental considerations relate to the laws, regulations, and property taxes that affect properties in the market area and the administration and enforcement of these constraints such as zoning laws, building codes, and housing and sanitary codes. The property tax burden associated with the benefits provided and the taxes charged for similar benefits in other areas are considered. The enforcement of applicable codes, regulations, and restrictions should be equitable and effective. Governmental characteristics that should be considered in the analysis of a market area include property tax burden relative to services provided, special assessments, zoning and building codes, quality of public services, and environmental regulations. Some of these factors are discussed in the zoning and real estate tax sections later in this report.

Environmental Forces

Environmental influences consist of any natural or man-made features that are contained in or affect the market area and its location. These include a building's type and size, topographical features such as terrain and vegetation, changes in property use and land use patterns, and the adequacy of public utilities.

Highway Transportation: Highway accessibility is a primary consideration in planning an area's future growth and development. The town of Luray sits at the convergence to two main highways: US Route 211 and US Route 340. US Route 211 is the main east/west road in Luray and extends eastward as the Lee Highway into Shenandoah National Park.

The following table presents traffic volume statistics on US Route 211/340 from the sections of road closest to the subject site.

Annual Average Daily Traffic Volume		
Luray, Virginia		
US Route 211/340		
	West of Airport Rd	East of Airport Rd
2016	8,200	14,000
2017	8,400	15,000
2018	8,100	14,000
2019	8,200	14,000
2020	7,500	13,000

Source: Virginia Department of Transportation

The closest interstate highway is Interstate 81, roughly 10 miles west of Luray, which provides a direct link to Harrisonburg to the southwest. To the northeast, Interstate 81 connects with Interstate 66 near Strasburg, which provides direct, high-speed route into the greater Washington DC area.

Air Transportation: Luray is primarily a drive-to destination. The subject site is about one mile from the Luray Caverns Airport, a small general aviation facility that is mainly used by private planes. The nearest airport offering scheduled commercial passenger service is the Shenandoah Regional Airport in Weyers Cave, Virginia, south of Harrisonburg. However, this facility's only commercial carrier, SkyWest Airlines, recently announced that it would terminate service to the airport. The next nearest commercial airport is the Charlottesville-Albemarle Airport, more than an hour's drive away. The larger region is also served by Richmond International Airport and Dulles International Airport.

Climate: The climate of the subject area is generally warm in the summer and cold in the winter. The average daily temperature in January is 32.9 degrees Fahrenheit and the average daily temperature in July is 74.5 degrees Fahrenheit. Daily high temperatures tend to top 75 degrees for five months out of the year. The following table depicts typical weather conditions for the area based on data collected from the weather station at the Shenandoah National Park Headquarters over a 30-year period.

Average Weather Conditions for Luray, Virginia (1981-2010)

	Avg Daily High Temperature (°F)	Mean Temperature (°F)	Avg Daily Low Temperature (°F)	Precipitation (inches)	Snowfall (inches)
January	43.9	32.9	21.8	2.7	5.0
February	48.7	36.5	24.3	2.7	3.7
March	56.9	44.3	31.6	3.9	4.4
April	68.2	54.6	41.0	3.4	0.3
May	75.9	62.8	49.6	4.0	0.0
June	83.8	70.9	58.0	4.0	0.0
July	86.9	74.5	62.0	4.1	0.0
August	85.3	73.1	60.8	3.3	0.0
September	79.3	66.5	53.8	4.5	0.0
October	69.7	56.5	43.2	3.0	0.0
November	59.4	46.9	34.3	3.6	0.7
December	47.9	36.9	25.9	3.1	3.8
Average/Total	67.2	54.8	42.3	42.3	17.9

Source: The National Oceanic and Atmospheric Administration's National Climatic Data Center

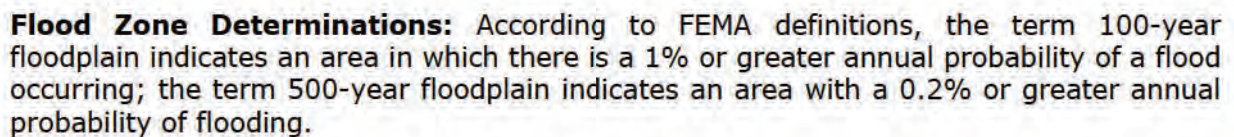
NEIGHBORHOOD ANALYSIS

The neighborhood surrounding a lodging facility impacts a hotel's status, image, class, style of operation, and sometimes its ability to attract and properly serve a particular market segment. The representative subject site is just outside the town of Luray, surrounded by a golf course, the Shenandoah River, woods, and the Luray Caverns Airport. While the specific subject site has not been determined, nearby access to similar complementary amenities such as the Shenandoah River and woods available for trails are assumed to be available.

Aerial Photograph: The following image is an aerial photograph of the subject site.



The next map shows the location of the subject site in relation to major roads and highways in the surrounding area.



ZONE A An area inundated by 100-year flooding for which base flood elevations have not been established

ZONE AE An area inundated by 100-year flooding for which base flood elevations are provided

ZONE B An area inundated by 500-year flooding; an area inundated by 100-year flooding with average depths of less than one foot or with drainage areas less than one square mile; or an area protected by levees from 100-year flooding

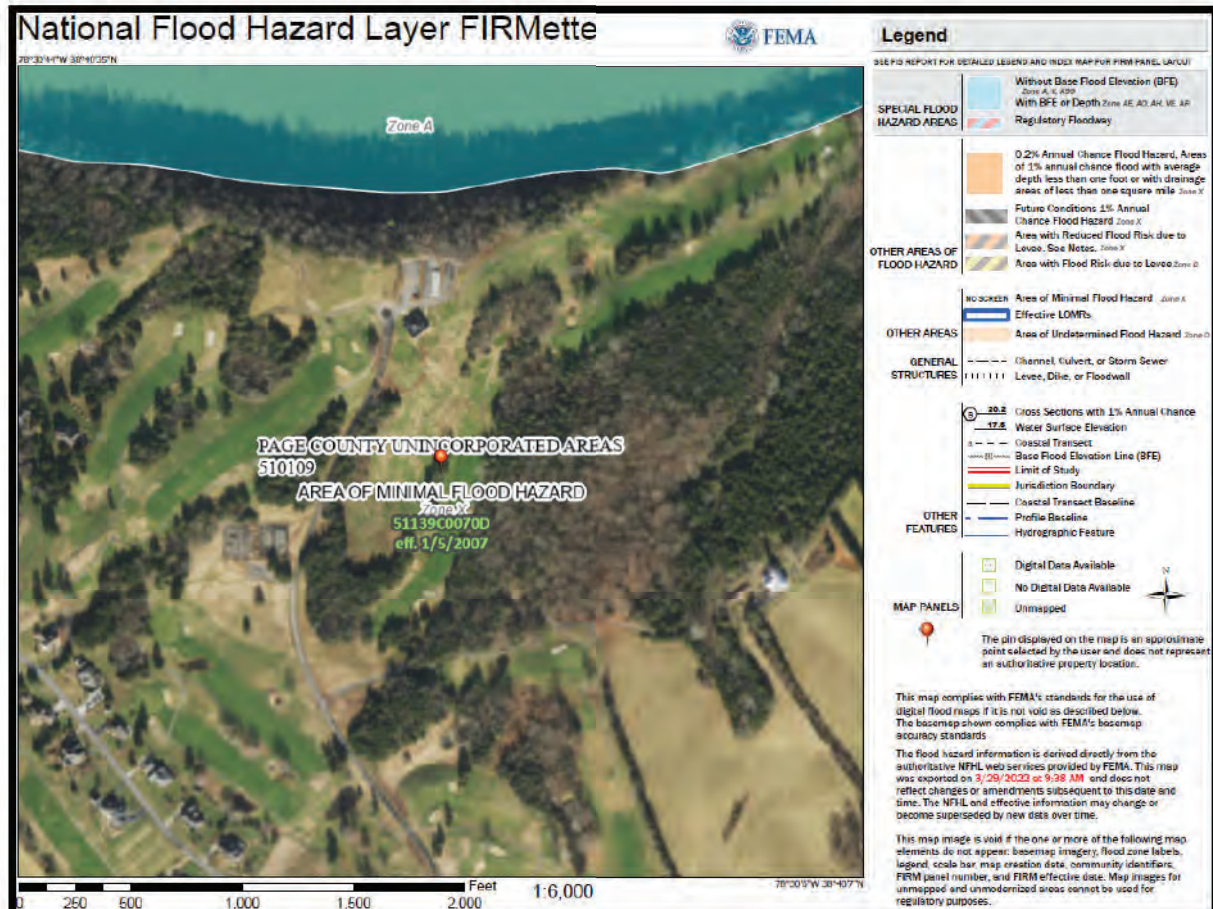
ZONE C An area that is determined to be outside the 100- and 500-year floodplains

ZONE D An area of undetermined but possible flood hazards

ZONE X An area within a 500-year floodplain; an area within the 100-year floodplain with average depths of less than one foot or width drainage

areas less than one square mile and areas protected by levees from 100-year flood

The following map presents the FEMA flood zone determinations for the subject site as of January 5, 2007. The map (Map Number 51139C0070D) indicates that the subject site is in a Zone X area.



Outlook

Our review of recent demographic trends indicates a mixed outlook for the local market area. Page County's slow population growth and lower income levels are sources for concern for any commercial development; however, these factors may be of limited concern to a business that runs mainly on the expenditures of out-of-town visitors. Recent employment data indicates a strong rebound over the pandemic lows of 2020. Luray benefits from its location along the Shenandoah River and its proximity to Shenandoah National Park, a large, permanent attraction that has drawn upwards of 1.6 million visitors in recent years. The site is also within a short drive of several complementary attractions such as Luray Caverns. These factors point to sustained economic well-being within the region and should benefit the subject property by ensuring steady levels of demand heading into the future.

DEMOGRAPHIC COMPARISON OF LURAY VS. WISCONSIN DELLS AND SANDUSKY

The success of the proposed indoor waterpark resort is closely tied to demographics and income levels within its market area. Luray is a small community in north central Virginia, near Shenandoah National Park. We compared the proposed subject site with Wisconsin Dells, Wisconsin, and Sandusky, Ohio, because these locations offer the greatest concentration of indoor waterpark resorts in the United States. These locations share many similarities and differences, making their comparison to the subject meaningful. Similarities shared among the Luray, Wisconsin Dells, and Sandusky regional areas include:

- Natural water related attractions
Luray: Shenandoah River
Wisconsin Dells: Wisconsin River
Sandusky: Lake Erie
- Lower room rates during winter months
- Higher room rates during July and August and special events
- Tourist attractions in the area
Luray: Shenandoah National Park, Luray Caverns, Luray Valley Museum
Wisconsin Dells: Noah's Ark Outdoor Waterpark, Tommy Bartlett shows, Dells boat tours, and various family attractions
Sandusky: Cedar Point Amusement Park, Cedar Point Shores, Lake Erie Islands, Merry-Go-Round Museum
- Easy accessibility from major highways
Luray: Interstate 81, US Route 211/340
Wisconsin Dells: Interstate 90/94
Sandusky: Interstate 80/90 and State Route 2
- Historically seasonal tourist attractions (May through September)
Luray is in a seasonal tourist area near Shenandoah National Park, with a mix of seasonal and year-round attractions; visitation is highest from June through October
Wisconsin Dells is a seasonal resort community with numerous waterparks and amusement attractions
Sandusky is a seasonal resort community centered around Cedar Point Amusement Park and Cedar Point Shores outdoor waterpark

Differences among the three areas include:

- Leisure visitation to market
Luray: Approximately 1.7 million visitors to Shenandoah National Park in 2020, 1.6 million visitors in 2021
Wisconsin Dells area: Over four million visitors annually
Sandusky/Lake Erie Islands Region: Over 10 million trips made to the region annually; over 3.5 million annual visitors to Cedar Point Amusement Park
- Major theme parks
Luray: no major theme parks

Wisconsin Dells: Mount Olympus Water & Theme Park, Noah's Ark Outdoor Waterpark, and small and midsize amusements

Sandusky: Cedar Point Amusement Park and Cedar Point Shores Outdoor Waterpark

- Skiing
Luray: No ski areas
Wisconsin Dells: Four small ski areas
Sandusky: No ski areas
- Driving distances to larger metropolitan areas
Luray: Washington DC, Baltimore, and Pittsburgh within 180 miles
Wisconsin Dells: Chicago, Minneapolis/St. Paul and Milwaukee within 180 miles
Sandusky: Detroit, Cleveland, Columbus, and Toledo within 180 miles
- Available Hotel Supply
Luray: 2,376 available guestrooms within 25 miles
Wisconsin Dells: 7,846 available guestrooms
Sandusky/Erie & Ottawa Counties: 6,749 available guestrooms

The following is an analysis of the three market areas based on 120-mile and 180-mile radii emanating from Luray, Virginia; Wisconsin Dells; and Sandusky. It is important to note that the Sandusky market area includes portions of Canada. Population and household figures for the Canadian portions of the Sandusky market area were based on estimates and projections provided by Environics Analytics Group, based on official findings from Statistics Canada, the Canadian equivalent of the U.S. Census Bureau.



Luray, Wisconsin Dells & Sandusky

180-Mile Market Areas



April 04, 2022



HOTEL & LEISURE ADVISORS



Regional Map

Proposed Destination Resort



April 04, 2022

Population: The following table summarizes population growth trends for the three market areas.

Population Growth Trends			
Luray, Wisconsin Dells & Sandusky Market Areas			
	2021 (Est.)	2026 (Proj.)	%Change 2021 - 2026
120-mile radius			
Luray	13,124,230	13,619,376	3.8%
Wisconsin Dells	6,237,654	6,341,103	1.7%
Sandusky	14,469,867	14,631,674	1.1%
180-mile radius			
Luray	23,687,862	24,293,338	2.6%
Wisconsin Dells	17,269,042	17,398,929	0.8%
Sandusky	25,378,869	25,659,111	1.1%

Sources: ESRI, Environics Analytics Group

At both the 120- and 180-mile levels, Luray's defined market area is similar in size to that of Sandusky and has significantly more residents than the corresponding area surrounding Wisconsin Dells. The subject's market area also has the highest projected growth rates over the next few years.

As a point of comparison, we compiled the population of the seven largest Metropolitan Statistical Areas (MSAs) in the Luray, Wisconsin Dells, and Sandusky 180-mile market areas. These lists include all metropolitan areas that lie either wholly or partially within the respective 180-mile rings. The figures in this table represent U.S. Census Bureau estimates for 2020 based on the most recent decennial census. The total population of the seven largest metropolitan areas in the Luray 180-mile market area is above that of the other two market areas.

Population of Large Metropolitan Areas					
Luray, Wisconsin Dells & Sandusky Market Areas					
Largest MSAs within the Luray 180-mile radius	Total Population	Largest MSAs within the Wisconsin Dells 180-mile radius	Total Population	Largest MSAs within the Sandusky 180-mile radius	Total Population
Washington-Arlington-Alexandria, DC-VA-MD-WV	6,324,629	Chicago-Naperville-Elgin, IL-IN-WI	9,406,638	Detroit-Warren-Dearborn, MI	4,304,136
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	6,107,906	Minneapolis-St. Paul-Bloomington, MN-WI	3,657,477	Pittsburgh, PA	2,309,246
Baltimore-Columbia-Towson, MD	2,800,189	Milwaukee-Waukesha, WI	1,577,676	Cincinnati, OH-KY-IN	2,232,907
Pittsburgh, PA	2,309,246	Madison, WI	670,447	Columbus, OH	2,138,946
Virginia Beach-Norfolk-Newport News, VA-NC	1,779,824	Davenport-Moline-Rock Island, IA-IL	377,759	Cleveland-Elyria, OH	2,043,807
Raleigh-Cary, NC	1,420,376	Rockford, IL	334,072	Indianapolis-Carmel-Anderson, IN	2,091,019
Richmond, VA	1,303,469	Green Bay, WI	323,379	Grand Rapids-Kentwood, MI	1,081,372
Total, Top 7 MSAs	22,045,639	Total, Top 7 MSAs	16,347,448	Total, Top 7 MSAs	16,201,433

Source: U.S. Census Bureau, 2020 Estimates

The largest MSA within Luray's 180-mile radius is the Washington DC MSA, which is currently home to more than 6.3 million people. The subject's 180-mile radius also captures a portion of the Philadelphia MSA. Luray is also within a two- to three-hour drive of Baltimore, Pittsburgh, and Richmond.

Households: A household consists of all the people occupying a single housing unit. While individual members of a household purchase goods and services, these purchases actually reflect household needs and decisions. Thus, the household is a critical unit to be

considered when reviewing market data and forming conclusions about the market area and its impact on a recreational facility. The following table summarizes household growth trends for the three market areas.

Household Growth Trends			
Luray, Wisconsin Dells & Sandusky Market Areas			
	2021 (Est.)	2026 (Proj.)	%Change 2021 2026
120-mile radius			
Luray	5,000,905	5,187,249	3.7%
Wisconsin Dells	2,506,037	2,557,733	2.1%
Sandusky	5,799,422	5,878,060	1.4%
180-mile radius			
Luray	9,225,406	9,463,227	2.6%
Wisconsin Dells	6,699,193	6,774,015	1.1%
Sandusky	10,183,186	10,318,621	1.3%

Sources: ESRI, Environics Analytics Group

For both the 120-mile radius and the 180-mile radius, the number of households in the subject's market area is similar to Sandusky. Once again, it should be noted that the projected growth rates for the Luray market area are greater than for either of the other two market areas presented. Over the period of 2021 to 2026, the 180-mile area around Luray is projected to see a net gain of about 238,000 households, and the majority of this growth will occur within 120 miles of the subject site.

Age Distribution: The following table presents the age distribution of the population for Luray's 180-mile radius.

Percentage of U.S. Population by Age	
Luray Market Area	
Age	2021 (Est.)
0-19	23.2%
20-34	19.8%
35-54	25.2%
55-64	13.6%
65+	18.2%
Median Age	40.3

Source: ESRI

According to 2021 ESRI estimates, the median age of the U.S. population is 38.8 years. In the subject's 180-mile radius, the 2021 estimated median age was 40.3 years. Therefore, in terms of median age, the subject's 180-mile radius is older than the United States as a whole. An estimated 23.2% of the population is under the age of 20.

Income: Income levels on a per capita, per family, or household basis indicate the economic level of the residents of the market area and form an important component of

this total analysis. More directly, household income, when combined with the number of households, is a major determinant of an area's sales potential. The following table presents current median household income levels for the three market areas.

2021 U.S. Median Household Income Estimates

Luray, Wisconsin Dells & Sandusky Market Areas

	Households 120-mile radius	Households 180-mile radius
Luray	\$83,311	\$72,388
Wisconsin Dells	\$63,678	\$68,734
Sandusky	\$59,271	\$58,527

Source: ESRI

Income levels in the subject's market area tend to be higher than those in the comparable areas surrounding Wisconsin Dells and Sandusky. This is particularly true of the 120-mile area, which includes the affluent suburbs of Washington DC. Overall, income levels are expected to increase in each of the geographical areas listed.

The following table presents the distribution of income for households within Luray's 120-mile and 180-mile market areas.

2021 Estimated U.S. Households by Income

Luray Market Area

Income Range	# of Households 120-mile radius	% of Total	# of Households 180-mile radius	% of Total
0-\$49,999	1,489,431	29.8%	3,202,473	34.7%
\$50,000-\$74,999	758,134	15.2%	1,526,515	16.5%
\$75,000-\$99,999	638,139	12.8%	1,209,924	13.1%
\$100,000-\$149,999	907,418	18.1%	1,554,688	16.9%
over \$150,000	1,207,659	24.1%	1,731,597	18.8%
Total	5,000,781		9,225,197	

Source: ESRI

An estimated 3.5 million households with household annual earnings over \$50,000 are within a 120-mile radius of the site. Within Luray's 180-mile radius, an estimated 6.0 million households have household annual earnings over \$50,000. Our research indicates a household income of approximately \$50,000 as the minimum income necessary to comfortably afford a stay at a quality indoor waterpark resort. According to the 2021 estimates, 70.2% of households in the 120-mile radius and 65.3% of households in the 180-mile radius meet or exceed this income threshold.

Supply of Indoor Waterpark Resorts per Household: We analyzed the number of U.S. and Canadian indoor waterpark resort properties within 180 miles of the three markets to determine the number of choices available to consumers who live within an approximately three-hour drive of each location. The figures in the following tables include existing and under-construction indoor waterpark resorts.

Indoor Waterpark Resorts
within 180 Miles of Luray, Wisconsin Dells & Sandusky

	Luray	Wisconsin Dells	Sandusky
2021 Est. Households, 180-mile radius	9,225,406	6,699,193	10,183,186
Number of Existing and Under-Construction Hotels with Indoor Waterparks	4	32	8
Total Rooms	3,166	8,977	2,762
Total Waterpark SF	269,250	1,203,600	486,000
Households per Waterpark SF	34.3	5.6	21.0

Sources: ESRI, Hotel & Leisure Advisors

Within a 180-mile radius, Luray has the greatest number of households per indoor waterpark square foot while Wisconsin Dells has the lowest. Two of the indoor waterpark resort properties in Luray's 180-mile market area are in the state of Virginia, and one is in Pennsylvania. A fourth property is now under construction in Perryville, Maryland, and is scheduled to open in 2023. There are 32 hotels and resorts with indoor waterparks within a 180-mile radius of Wisconsin Dells as of our research date and eight within the 180-mile radius around Sandusky. We note that in all markets there are proposals for additional indoor waterpark resorts, which would increase the supply and potentially dilute occupancy levels. The market section indicates additional information about the supply of indoor waterpark resorts.

We analyzed the total number of family households (i.e., those most likely to have children in the home) within the 180-mile radii of Wisconsin Dells, Sandusky, and the subject. According to the U.S. Census Bureau, a family household consists of a householder plus one or more people living in the same dwelling who are related to the householder by birth, marriage, or adoption. Although not all family households contain young children, making the distinction between family households and total households is a way of highlighting those households most likely to visit an indoor waterpark resort. These figures were considered in relation to the total number of overnight rooms available at indoor waterpark resort properties within each market area.

Ratio of Family Households to Indoor Waterpark Hotel Rooms
within 180 Miles of Luray, Wisconsin Dells & Sandusky

	Luray	Wisconsin Dells	Sandusky
2021 Est. Family Households, 180-mile radius	5,950,389	4,291,988	6,550,988
Number of Existing and Under-Construction Hotels with Indoor Waterparks	4	32	8
Total Rooms	3,166	8,977	2,762
Family Households per Indoor Waterpark Hotel Room	1,879	478	2,372

Sources: ESRI, Hotel & Leisure Advisors

The estimated number of family households within Luray's 180-mile radius is approximately 6.0 million. The Wisconsin Dells market area has 478 family households for every indoor waterpark overnight room. Of the three defined areas, the Wisconsin Dells market is by far the most saturated with this type of product. To achieve the same ratio of family households to indoor waterpark hotel rooms as the Wisconsin Dells

market, the Luray market area would have to hold 12,446 rooms. After taking into account the 3,166 rooms that already exist within a 180-mile radius of the subject, this would amount to an additional 9,280 rooms, which shows the potential for new indoor waterpark hotels.

SITE ANALYSIS

Site Location: The subject site is in Page County, Virginia. As a reference point, we have utilized the Caverns Country Club Resort at 910 T.C. Northcott Boulevard, in Luray, as the course was available for sale as of the date of inspection, although the exact site has not been determined.

Size and Shape: According to the realtor listing, the Caverns Country Club Resort site is 348 acres with 1.25 miles of frontage on the Shenandoah River. The overall golf course site is irregular in shape.

Access and Exposure: Access to the subject site is obtained via US 211/340. A traveler on US 211/340 would turn north on Airport Road, State Route 652, and proceed approximately 0.2 miles to Homestead Drive. Turning left onto Homestead Drive the guest would proceed approximately a tenth of a mile to T.C. Northcott Boulevard on the right and proceed to the proposed resort.

The golf course site is not visible from US 211/340. However, the property would be visible from the Shenandoah River and possibly area roadways depending upon the building placement on the site and its height. As the river borders the site to the north and the Luray Caverns Airport borders to the southeast limited future development would obstruct the view from or of the property.

Zoning: According to Page County zoning office, much of the overall golf course site is zoned residential and a substantial amount of the overall site has been individually platted for approximately 100 residential units. However, most of the sites have not been sold off or developed with the exception of a handful of sites along Beall Avenue. In addition to residential units, the zoning permits short-term tourist rental units. A second zoning designation that covers most of the course fairways is Woodland-Conservation district. The intent of this district is to perpetuate the rural atmosphere, open space, and scenic landscape of the region. Permitted uses include bed-and-breakfast establishments and short-term tourist rentals. A short-term tourist rental is subject to a property management plan demonstrating how the property will be managed and its impact on neighboring properties that would be reviewed and approved by the Zoning Administrator. There is no specific size limitation to the property, but a maximum number of occupants shall be determined by the Page County Health Department. The zoning also allows by special permit outdoor recreation areas and facilities, such as the existing golf course. Therefore, the proposed subject development would need to obtain approvals to be a legally conforming use.

Site Conditions: We were not provided with an engineering or environmental study for the subject site, because the precise site has not yet been determined. H&LA has not performed an engineering study or test borings and makes no conclusion as to the condition of the foundation or the soil and subsoil conditions. The representative subject site is currently an active golf course that borders the Shenandoah River. Much of the site is wooded and not developed.

Utilities: We assume that all necessary utilities and services will be available to the subject property's site.

Deed Restrictions/Easements: We assume that the standard utility easements from the local electrical, telephone and gas companies will encumber the subject property. These easements are considered typical for the operation of commercial property and are not detrimental. No other easements were made known to the consultant, and none are assumed to exist.

Property Taxes: The Caverns Country Club Resort consists of over 100 county approved individual tax parcels, many of whom are not currently improved. Commercial property in Page County is assessed at 100.0% of theoretical market value. The assessors utilize an income approach to estimate the assessed market value (cost and sales approaches may be used for validation). Properties in Page County are assessed as of January 1 of each year. The sale of a property does not trigger a reassessment. The tax rate for the neighborhood is \$0.073 per \$1,000 of assessed value with payments made in two installments due June 5 and December 5. The personal property tax rate for Page County is \$4.40 per \$100 of assessment.

We would typically compare the subject assessment with that of other similar facilities within the county where the subject is located; however, the subject would be the only indoor waterpark resort located in Page County. To derive a reasonable property tax estimate for the subject, we analyzed the assessed values for comparable hotels in the area of the subject and a regional indoor waterpark resort, which are shown in the following table.

Subject and Comparable Assessments			
	Rooms	Assessment	Per Room
Comparables			
2021 - Mimslyn Inn	49	\$4,877,800	\$99,547
2021 - Hotel Laurance	12	\$803,100	\$66,925
2021 - Great Wolf Lodge Williamsburg	405	\$78,577,600	\$194,019
<i>Source: Hotel & Leisure Advisors and Page and York County Assessors</i>			

Assessments average \$90,123 per room. The current assessments of the subject are inconsequential since the subject site has yet to be determined and will be reassessed when it opens. As there exist a number of unknowns associated with the development, we have estimated the real estate and personal property taxes to be 3% of total revenue of the resort.

Competitive Advantages and Disadvantages of Subject Site

Advantages

- The subject's market is within a 10-minute drive of Interstate 81. The interstate provides connectivity to the Washington DC and Baltimore markets to the north and Roanoke, Richmond, and Charlotte markets to the south.
- The subject market is close to the Shenandoah National Park and the Luray Caverns. These tourist attractions attract approximately 1.7 million and 500,000 annual visitors respectively.
- The subject will benefit from the existing strong wedding market that currently exists in the region. Market participants state that while the demand for wedding space is very strong, the market lacks quality guestroom accommodations of the size necessary to handle larger wedding parties. These larger groups stay in accommodations outside Page County.
- Page County is near the Washington DC and Richmond metropolitan areas and is convenient to many attractions that families from across the United States and internationally choose to visit. Major attractions located within 90 miles of the subject include Washington DC museums and historical attractions as well as Kings Dominion amusement park north of Richmond.
- The Shenandoah River runs through Page County and provides potential for outdoor activities as it is currently used for kayaking and other recreational uses.
- The site is within 180 miles of Washington DC; Baltimore, Maryland; Dover, Delaware; Norfolk, Virginia Beach, and Richmond, Virginia; Harrisburg and Pittsburgh, Pennsylvania; and Raleigh and Durham, North Carolina, which are projected to be the primary demand sources.

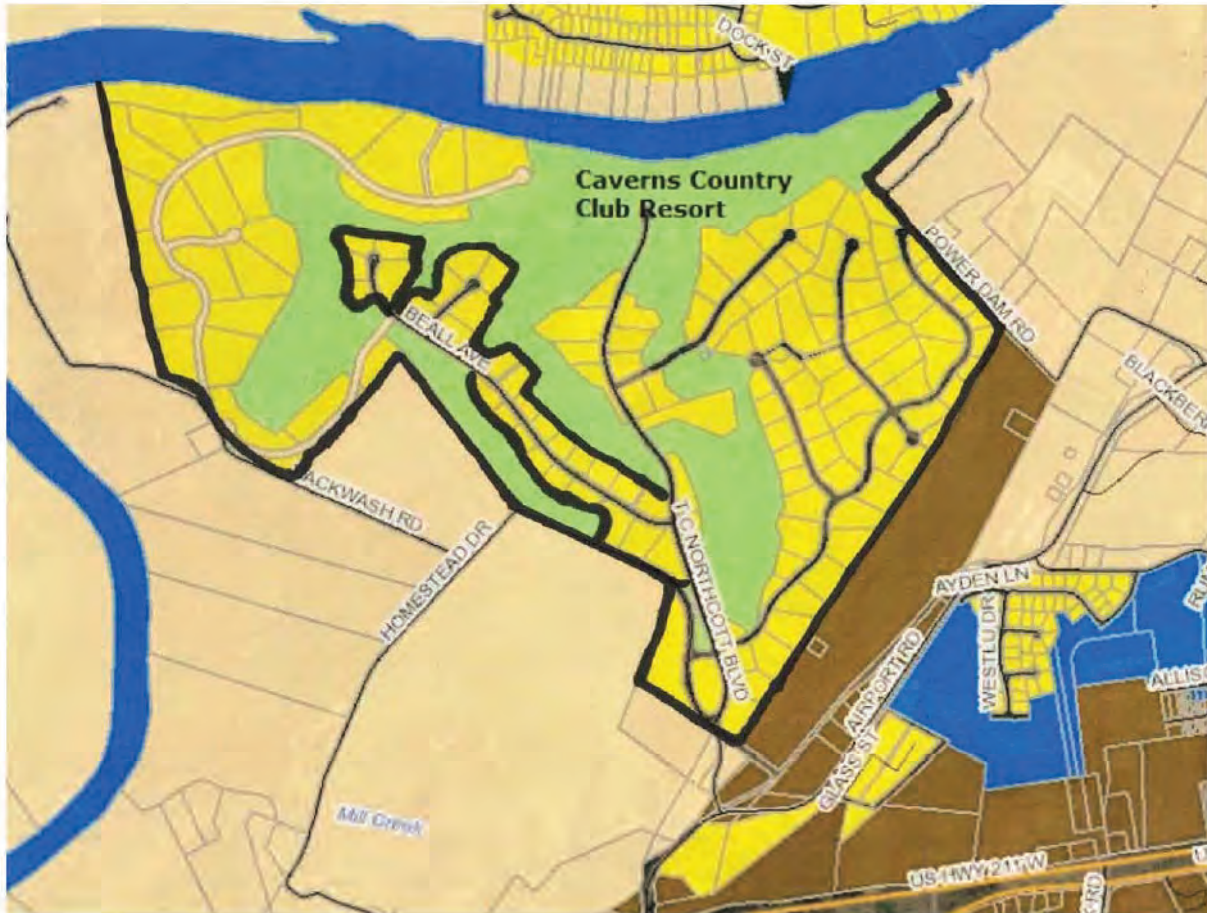
Disadvantages

- The Town of Luray, although associated with regional tourist attractions, does not achieve the level of visitation of larger tourist destinations such as Williamsburg, Virginia or Washington DC, which are more primary attractions within the region.
- The Town of Luray is predominantly residential and local commercial. Outside of the township, much of the region is agricultural. The subject location would benefit from complementary recreational and tourist-oriented developments on the currently underdeveloped area land.

Conclusion

In our opinion, the subject's market as it currently exists could be considered an attractive location for a resort development. With the level of infrastructure proposed in this report, as well as additional developments in the Page County area, it is our opinion that the subject market will offer an attractive location for the proposed resort.

SITE MAP



The image identifies the site owned by Oh Shenandoah Development LLC and represents 348 acres according to the property's real estate listing. The segment in green is the golf course portion of the property. The yellow parcels are currently undeveloped, except along Beall Avenue, and are zoned residential. The parcels along Beall Avenue are single family home sites that have been sold and, in most cases, developed.

Pictures of Caverns Country Club Resort (representative site)



View along first fairway



View along driving range



View overlooking Shenandoah River from club house



View of Shenandoah River from first green



View of Shenandoah River from first green



View of second fairway and cart path

Pictures of Caverns Country Club Resort (representative site)



View of club house



Club house interior



View from club house



View from club house



View from club house parking lot



View of rolling hills of the golf course

DESCRIPTION OF PROJECTED/RECOMMENDED IMPROVEMENTS

General: The client is considering the development of a full-service resort hotel to be developed in Page County. Based on our review of the performance of resorts in the region, we have recommended the development of an indoor waterpark resort. While the specific site has yet to be determined, we recommend the subject development include a large amount of land to develop a wide range of tourism infrastructure, including the subject indoor waterpark resort. We recommend that the architects and land planners prepare preliminary plans for an expansion of these areas to allow for proper land planning. We project the proposed property will open by January 1, 2025.

The following table indicates our recommendations for the resort.

Recommended Facility

Proposed Destination Resort - Page County

Number of Units		300	
Room Mix	Units	Room Breakdown %	Size (S.F.)
Double-Queen	150	50%	400-450
King	30	10%	400-450
Suites	70	23%	600-800
Cabins	50	17%	800-1,000
Meeting Rooms		Square Feet	Banquet Capacity
Grand ballroom (divisible into 6 rooms)		8,000	660
Breakout rooms		4,500	
Pre-function space		2,500	
Total square feet		15,000	660
Food and Beverage Outlets			
Three-meal restaurant			
Coffee and pastry shop			
Upscale restaurant and wine bar			
Swim up bar			
Waterpark snack bar			
Waterpark Features		Sizing	
Indoor waterpark (square feet)		60,000	
Outdoor water play area			
Lockers		200	
Cabanas		20	
Birthday Party rooms (square feet)		1,500	
Suggested Themes			
Northwoods			
Wilderness			
Appalachian Mountains			
Additional Revenue Centers		Square Feet	
Retail		2,500	
Arcade		15,000	
Spa		5,000	
Amenities			
Business center			
Complimentary high-speed Internet			
Fitness room			
Basketball court			
Tennis and Pickleball courts			
Golf course (leased)			
Golf Pro Shop (leased)			
Interactive game			
Kayak and Canoe Rentals			
Zip Line and Ropes course			
Walking/Hiking trails			

Source: Hotel & Leisure Advisors

We recommend the subject offer sufficient amenities to create a true resort destination. The following bullets highlight our recommendations for the resort.

- We recommend the subject offer 300 guestrooms with a mixture of double queen and king rooms, suites, and cabins.
 - All rooms are recommended to include a sleeper sofa or bunk beds and a half wall to allow their use as studio suites.
 - We recommend a mixture of room types including themed rooms with kid's bunk beds and separate kids areas. This will provide flexibility for guests.
 - Guestrooms should be larger than typical hotel guestrooms with an average square footage of 400 to 450 square feet and suites offering 600 to 800 square feet. The cabins maybe somewhat larger than suites offering 800 to 1,000 square feet.
 - The room mix should be approximately 60% typical guestrooms, 23% suites, and 17% cabins.
 - The room mix should include 50 cabins away from the main resort building. The cabins will allow the hotel to capture multi-generation families that want to stay together as well as bridal parties that would appreciate the larger units for their group.
 - We recommend the development include a unique theme and brand name. Potential ideas include children's kingdom, Appalachian Mountains, wilderness, Northwoods/Adirondacks, Caribbean, coral reef, Africa, Australia, etc. Another idea is to theme the resort around well-known licensed movie or cartoon characters. The name and theme of the resort are very important. We recommend the resort develop themed characters who can make appearances for pictures in the lobby area, restaurants, and indoor waterpark.
- We recommend 15,000 square feet of meeting space to attract a variety of groups, associations, wedding parties, and events. The flexible space should include:
 - A 8,000-square-foot main ballroom divisible into six rooms, each with its own access, to house multiple smaller events. As a banquet area, this space will seat 660 people at 72" round tables.
 - Additional 4,500 square feet of meeting room spaces to be used as breakout rooms or to host smaller receptions.
 - A 2,500-square-foot pre-function space that will be flexible in use.
 - The subject resort should have an outdoor event area that would be used seasonally for social gatherings.
 - The meeting rooms should be well-appointed with the latest in meeting technologies, including ample power, Wi-Fi, video conferencing, and

acoustical treatments. The meeting space will allow the subject to attract group business in midweek periods. The meeting space should be on the opposite end of the building from the indoor waterpark to allow separation between two different types of users. The design of the parking lot should allow for the meeting space to be separate from the waterpark.

- We recommend the subject offer multiple food and beverage outlets, including:
 - A specialty restaurant offering seafood, steak, or other more upscale options along with a wine bar.
 - A family-style themed restaurant serving all three meals. The restaurant should offer a breakfast buffet and a-la-carte lunch and dinner service.
 - Waterpark snack bar.
 - A coffee and pastry shop offering coffee, candy, ice cream and other sweet treats.
 - A swim up and dry bar area overlooking the surf machine.
 - The kitchen should be efficiently designed to accommodate multiple restaurant and banquet requirements.
- We recommend a large 60,000-square-foot indoor waterpark and an outdoor water play area, which are further described within the report. We assume limited day passes will be sold to the public during slower time periods.
- We recommend amenities for business travelers, including a business center, fitness center, and wireless Internet access.
- We recommend a 15,000-square-foot indoor family entertainment center (FEC). The family entertainment center should be located near the waterpark entrance and be open to non-hotel guests also. The family entertainment center should offer:
 - Arcade games, split between areas for teenagers and areas for younger children
 - Prize redemption area
 - Miniature bowling
 - Laser tag
 - Miniature golf
 - Golf simulators
 - Indoor multi-story ropes course
 - Rock climbing wall
 - 4D theater
 - Virtual reality attraction
 - Birthday party rooms
- We recommend an outdoor adventure park offering tree-top ropes course, ziplining, multi-story ropes course, and adventure playground.

- Visitors to the region are outdoor oriented as demonstrated by the visitation to the Shenandoah National Park. We recommend the development of walking and hiking trails through the overall property. We recommend a variety of outdoor activities including zip lines, ropes course, basketball court, tennis and pickle ball courts. If access to the Shenandoah River is available to the resort, we recommend kayak and canoe rentals. If access to the river is not available, we encourage developing packages with area kayak and canoe rental companies. The facility could also offer snowmobile rentals and snowshoeing during the winter months.
- The representative subject site is the Caverns Country Club Resort. If this site were acquired for development, we recommend leasing the golf course to a group experienced in the operation of golf facilities. This would include the operation of the golf pro shop and the snack shop. The tenant would be expected to maintain the quality of the overall resort in the golf operations. If the Caverns Country Club Resort is not the site, we encourage the development of golf packages with area golf courses to provide additional outdoor amenities for guests of the resort. Our study has not included any income or expenses from the golf course.
- We recommend 2,500 square feet of retail in two gift shops and multiple kiosks. One store in the lobby area should sell novelty items, and the second near the waterpark entrance should sell waterplay related items. We recommend other small retail kiosks near the FEC such as Build-a-Bear, temporary tattoos/face painting, and keychain/wristband kiosk, etc. By locating the family entertainment center, restaurants, and retail near each other, it will allow the subject to offer a "main street" atmosphere that will be active during the evenings.
- We recommend the subject offer RFID wristbands to hotel guests to pay for various services at the resort, including arcade tokens, gift shop, restaurants, coffee shop, and waterpark snack bar. The wristbands can either be pre-paid (for children) or linked to a guestroom account.
- We recommend the development of a 5,000-square-foot spa and salon that includes multiple treatment rooms and offers services such as massages, facials, therapies, and other treatments for adults and children.
- An interactive game for children that would utilize different sections of the resort's interior and exterior should be included. The MagiQuest interactive game is extremely popular and profitable at the Great Wolf Lodge properties. We also recommend other dry play areas within the hotel.
- We recommend sufficient parking spaces be developed for the hotel, indoor waterpark, meeting space, and FEC. The subject will require between 400 and 600 parking spaces.
- We recommend the facility be constructed with a plan to add a second phase expansion of the hotel rooms, meeting space and waterpark if demand allows. Planning for an expansion in the initial drawings will lower the cost later.
- We recommend a \$40.00 resort fee that includes self-parking, access to business center and fitness center, standard wireless Internet (with an upgrade option),

bottled water in the room at check-in, access to the indoor and outdoor waterparks, waterpark towels, and family activities.

- We recommend the subject try to obtain the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) certification. The LEED Green Building Rating System™ is the nationally accepted benchmark for the design, construction, and operation of high-performance green buildings. According to multiple studies, green buildings offer significant operational cost savings for utilities.

Indoor Waterpark Features and Amenities

We recommend approximately 60,000 square feet of waterpark area excluding the FEC/arcade, gift shop, and mechanical rooms.

The size recommendation for the hotel and waterpark will provide a good room to waterpark ratio. Typically, the indoor waterpark utilizes approximately 35 to 45 square feet per person. At 60,000 square feet, the subject indoor waterpark will hold 1,333 to 1,714 people at one time. Additional people will be allowed into the arcade and gift shop areas. The subject is projected to have 300 available guestrooms. If we assume approximately four people per guestroom, this equals 1,200 people in the hotel. Therefore, if all hotel rooms were to have waterpark packages, the subject waterpark would have limited capacity for day visitors. However, when the proposed hotel is not sold out, there will be capacity for day visitors and birthday party packages.

In our opinion, the subject should be developed and advertised as a property with limited access to day visitors to enhance its more exclusive nature and encourage guests to stay overnight. However, during slower weekdays and for birthday parties and groups we recommend the subject offer day passes.

We recommend the indoor waterpark have a unique theme and include a variety of tubes, pools, slides, and other indoor waterpark attractions. The rides and attractions need to offer sufficient entertainment value. The rides should have theming and a sense of adventure. We recommend the subject facility obtain at least one ride or attraction that is unique that it can promote. The waterpark should have a separate locker room area with a minimum of 200 lockers to accommodate day visitors and guests who are checking in and out. Additional components for the waterpark area could include:

1. Slides, tubes and other rides for both smaller and larger children
2. Two to four tall slides and rides targeting teenagers or older children
3. Treehouse water game structure with various interactive water components
4. Zero-depth entry area for babies and toddlers with small slides and water fountains
5. Indoor/outdoor whirlpool for adults and older children
6. Basketball and water polo areas

7. Lazy river
8. Wave pool
9. Water coaster or family raft ride
10. Surf machine with an adjacent bar for spectators to enjoy a drink or food
11. Virtual reality or other unique attraction
12. Birthday party rooms
13. Retractable roof (to allow sunlight and be able to open in summer)
14. Indoor and outdoor cabanas
15. Swim-up bar

We recommend the subject offer a total of 1,500 square feet of multiple party rooms adjacent to the indoor waterpark for party guests to assemble when they are not in the waterpark. This space can be utilized as an overflow breakout room or for a waterpark snack bar seating when there are no birthday parties.

The proposed indoor waterpark size is within the range of other indoor waterpark facilities, as shown in the following table.

Indoor Waterpark Area per Available Unit			
Comparable Resorts			
	Number of Rooms	Indoor Waterpark Size (SF)	Indoor Waterpark SF/Room
Gaylord Opryland - Nashville, Tennessee	2,888	111,000	38
Kalahari Resort - Round Rock, Texas	975	223,000	229
Great Wolf Lodge - Grapevine, Texas	605	90,000	149
Great Wolf Lodge - Garden Grove, California	603	105,000	174
Camelback Lodge - Tannersville, Pennsylvania	453	125,000	276
Kalahari Resort - Sandusky, Ohio	890	173,000	194
Kartrite Resort & Indoor Waterpark - Monticello, New York	324	80,000	247
Great Wolf Lodge - Scottsdale, Arizona	350	85,000	243
Great Wolf Lodge - LaGrange, Georgia	456	93,000	204
Kalahari Resort - Pocono Township, Pennsylvania	977	220,000	225
Average indoor waterpark space per room (SF)			198

Source: Hotel & Leisure Advisors

Our recommendation for the subject is for 60,000 square feet of net waterpark area and 300 guestrooms in the two hotels, which equals 200 square feet of indoor waterpark space per guestroom. The proposed figure will allow the subject to offer one of the largest indoor waterparks in Virginia. With the other planned amenities at the subject resort, it will create a family destination.

Outdoor Water Play Area: We recommend the subject have an outdoor water play area with a minimum of 10,000 square feet including an outdoor pool, outdoor hot tub, multiple slides, and other outdoor water attractions. Although summer demand is stronger in Page County, there is no nearby outdoor attraction for families and in our opinion the subject needs to offer an outdoor water play area to appeal to families in the prime summer vacation months. We recommend the outdoor water play area be constructed adjacent to the indoor waterpark to provide an additional summer amenity.

FRANCHISE AFFILIATION ANALYSIS

Hotel Chain Scales

Chain scale segments are a method by which branded hotels are grouped based on the actual average room rates. Independent hotels, regardless of their average room rates, are included as a separate chain-scale category. Brands' placement in the scales is reviewed yearly. Following is STR's most recent chain scale listing:

Proposed Destination Resort - Luray, Virginia
Area Analysis and Descriptive Data

B-40

STR 2022 Chain Scales - United States					
Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy
AKA	Ace Hotel Group	AC Hotels by Marriott	Aiden by Best Western AF	A Victory Hotels	Affordable Suites of America
Allia Hotels & Resorts	Affinia	aloft Hotels	Aqua Hotels & Resorts	AmericInn	America's Best Inns
Aman Resort Services Ltd	Autograph Collection	Alt Hotels	Ayres	Avid Hotels	Americas Best Value Inn
Andaz	Canopy by Hilton	APA Hotel	Best Western Executive	Baymont Inn & Suites	AmeriVu I & S
Belmond	Club Med	Ascend Collection	Best Western Plus	Best Western	Budget Host
COMO Hotels & Resorts	Club Quarters	Aston Hotels	Boarders Inn & Suites	Candlewood Suites	Budget Suites of America
Conrad	Curio Collection by Hilton	Axel Hotel	Boulders Inn & Suites	Crystal Inn	Budgetel
Destination Hotels	Disney's Deluxe Resorts	Best Western Premier	BW Signature Collection	FairBridge Inn	Country Hearth Inn
Dorchester Collection	Dolce Hotels & Resorts	BW Premier Collection	Centerstone Hotels	Generator Hotel	Days Inn
Doyle Collection	Dream Hotels	Cambria Hotels	Chase Suites	GreenTree Inns US	Downtowner Inns
Edition	Embassy Suites by Hilton	Canad Inns	Clarion	GuestHouse	Econo Lodge
Fairmont	Fireside Inn & Suites	Citadines	Cobblestone	Hawthorn Suites by Wyndham	Extended Stay America
Firmdale Hotels	Gaylord Entertainment	citizenM Hotels	Comfort Inn	InnSuites Hotels	E-Z 8
Four Seasons	Graduate Hotels	Coast Hotels USA	Comfort Suites	Loyalty Inn	Good Nite Inn
Grand Hyatt	Hard Rock	Courtyard	Country Inn & Suites	Magnuson	Great Western
InterContinental	Hilton	Crowne Plaza	Disney's Value Resorts	MainStay Suites	HomeTowne Studios by Red Roof
JW Marriott	Hilton Grand Vacations	Delta Hotels	DoubleTree Club	Palace Inn	Howard Johnson
Langham	Hotel Indigo	Disney's Moderate Resorts	Drury Inn & Suites	Quality Inn	InTown Suites
Loews	Hotel Nikko	DoubleTree by Hilton	Drury Plaza Hotel	Ramada	Jameson Inn
Lotte Hotels & Resorts	Hyatt	element	Fairfield Inn	Red Lion Inn & Suites	Key West Inn
Luxury Collection	Hyatt Centric	Eurostars Hotels	Glo Best Western	Rode Inn Motels	Knights Inn
LXR Hotels & Resorts	Hyatt Regency	EVEN Hotels	GrandStay Hotels	Selina	Lite Hotel
Mandarin Oriental Hotel Group	Joie De Vivre	Four Points by Sheraton	Hampton by Hilton	Signature Inn	M Star
Mantis Collection	Kimpton	Grand America Hotels & Resort	Holiday Inn	Sleep Inn	Master Hosts Inns
Miraval	Le Meridien	Great Wolf Lodge	Holiday Inn Express Hotel	Sonesta Simply Suites	Microtel Inn & Suites by Wyndham
Mokara	Lytic Suites	Hilton Garden Inn	Home2 Suites by Hilton	stayAPT Suites	Motel 6
Montage Hotels	Magnolia Hotel	Homewood Suites by Hilton	Isle of Capri	Tru by Hilton	National 9
Nobu Hotels	Margaritaville	Hotel RL	La Quinta Inns & Suites	Uptown Suites	One Hotels
Park Hyatt	Marriott	Hyatt House	Lexington	Vagabond Inn	OYO Rooms
Red Carnation	Marriott Conference Center	Hyatt Place	Magnuson Grand	Vista	OYO Townhouse
Ritz-Carlton	MGallery by Sofitel	Iberostar Hotels & Resorts	Mama Shelter	Wingate by Wyndham	Passport Inns
RockResorts	Millennium Hotels	Innside by Melia	Motto by Hillton		Pear Tree Inn
Rosewood	Mint House	Larkspur Landing	MOXY		Red Carpet Inns
Sixty Hotels	NH Collection	Legacy Vacation Club	My Place Hotels		Red Roof Inn
Sofitel Luxury Hotels	Oakwood Apartments	Mantra	OHANA Hotels		Rodeway Inn
St Regis	Omni	Melia	Oxford Suites		Scottish Inns
Taj Group	Outrigger Resorts	Miyako Hotels	Park Inn		Select Inn
The Peninsula Hotel	Pan Pacific Hotel Group	Novotel Hotels	Quality		Siegel Select
The Unbound Collection	Pestana	Oakwood Residence	Red Lion Hotel		Siegel Suite
Thompson Hotel	Pullman	Park Plaza	Shilo Inn		Studio 6
Trump International	Radisson Blu	Pestana	Sonesta ES Suites		Suburban Extended Stay Hotels
Valencia Hotel Group	Radisson RED	Prince Hotels	The Red Collection		Super 8
Viceroy	Renaissance	Radisson	TownePlace Suites		SureStay
W Hotel	Royal Sonesta	Residence Inn	Trademark Coll. by Wyndham		SureStay Collection
Waldorf Astoria	Sheraton Hotel	RIU Plaza	Tryp by Wyndham		SureStay Plus
	Silver Cloud	Room Mate Hotels	Van der Valk Hotels		Travelodge
	St. Giles Hotels	Sandman Signature	Wyndham Garden Hotel		WoodSpring Suites
	Starhotels	Sonesta Hotel			
	Swissotel	Sonesta Select			
	The Guild	SpringHill Suites			
	The Hoxton	Staybridge Suites			
	Time Hotels	Stoney Creek			
	Tribute Portfolio	Tapestry Collection by Hilton			
	Unscripted	Vacation Condos by Outrigger			
	Virgin Hotels	Vib			
	Warwick Hotels	voco AF			
	Westin	Westmark			
	Wyndham Grand Hotels	Wyndham Hotels			
		Wyndham Vacation Resort			
		Yotel			

Source: STR & Hotel & Leisure Advisors

Approximately 70% of all lodging facilities in the United States are affiliated with a hotel brand, which helps to provide a level of recognition for the traveling public. Brands often target different market segments – some target the hip and trendy, while others target business clientele, or extended-stay guests – and are segmented by their service level.

The subject hotel could affiliate with a national hotel franchise and receive the benefits of this affiliation. In some cases, however, the costs of affiliating with a national franchise can exceed the additional value created.

The subject will be a unique facility with an indoor waterpark, FEC, gift shop, meeting space, outdoor water play area, and other potential amenities. Few national franchises are identifiable with this type of product. Our analysis of resorts indicates that most are independent and not affiliated with a national franchise. Our analysis of indoor waterpark resorts indicates that approximately 57% of these properties are independent, while 43% are affiliated with a national franchise brand of which Holiday Inn has the largest number of affiliates, followed by Great Wolf Lodge.

If the developer chooses to affiliate with a national brand, we recommend a strongly themed brand such as Kalahari Resorts or Great Wolf Lodge. Both brands popularity are growing across the United States, but they do not currently franchise. Other hotel franchising companies such as Marriott and Hilton Worldwide are more corporate-oriented and offer few successful indoor waterpark resort properties.

We recommend that the developers hire a competent hotel management company to operate the subject property as an independent resort. We are available to analyze and help select an appropriate hotel management company for the property. Although we recommend the hotel be independent, we advise it to affiliate with various national reservation services. We utilized only the marketing expense in our projections. An effective marketing campaign as an independent hotel can result in a higher value than as a chain property.

DEVELOPMENT COSTS

Development Costs for Indoor Waterpark Resorts and Indoor Waterpark Additions: We analyzed the development budgets of indoor waterpark resorts that are under development or have been developed in the United States as well as for waterpark additions at existing hotels. A majority of indoor waterpark resorts have been developed new with both the hotel and waterpark being constructed at the same time. However, a number of indoor waterparks have been added to existing hotels. In the following table, we compiled a variety of development cost data for indoor waterpark resorts inclusive of land, hotel, waterpark, and all development costs.

Indoor Waterpark Resort Development Costs Combined Hotel and Waterpark Components							
Name/Description	City	State	Year Opened/To Open	Waterpark Area (sq ft)	Number of Rooms	Cost	Cost Per Room
Hope Lake Lodge	Cortland	NY	2009	33,000	150	\$39,000,000	\$260,000
Great Wolf Lodge	Grand Mound	WA	2009	58,000	398	\$172,000,000	\$432,161
Great Wolf Lodge	Concord	NC	2009	80,000	409	\$134,000,000	\$327,628
Kalahari Indoor Waterpark Resort - Phase I	Pocono Township	PA	2015	106,000	457	\$210,000,000	\$459,519
Camelback Indoor Waterpark Resort	Tannersville	PA	2015	125,000	453	\$155,000,000	\$342,163
Valcartier Vacation Village Indoor Waterpark Resort	Valcartier	QC	2016	102,000	153	\$65,000,000	\$424,837
Parrot Cove Waterpark and Heritage Inn & Suites	Garden City	KS	2016	30,000	95	\$28,000,000	\$294,737
Great Wolf Lodge	Garden Grove	CA	2016	105,000	603	\$285,000,000	\$472,637
Kalahari Resort Combined Phases I and II	Pocono Township	PA	2017	220,000	977	\$370,000,000	\$378,710
Great Wolf Lodge	LaGrange	GA	2018	93,000	456	\$170,000,000	\$372,807
Gaylord Rockies Resort & Convention Center	Aurora	CO	2018	22,000	1501	\$824,000,000	\$548,967
Kartrite Hotel & Indoor Waterpark	Monticello	NY	2019	80,000	324	\$200,000,000	\$617,284
Great Wolf Lodge	Scottsdale	AZ	2019	85,000	350	\$155,994,000	\$445,697
Kalahari Resort	Round Rock	TX	2020	223,000	975	\$571,000,000	\$585,641
Great Wolf Lodge	Manteca	CA	2021	100,000	500	\$220,000,000	\$440,000
Great Wolf Lodge	Perryville	PA	U/C - 2023	126,000	700	\$300,000,000	\$428,571
Average				99,250	531	\$243,687,125	\$458,651

Source: Hotel & Leisure Advisors

Development costs for new construction indoor waterpark resorts have ranged from approximately \$260,000 to \$617,284 per available room. The wide range depends upon the quality of property and the extent of the indoor waterpark. The range of costs is also

impacted by union requirements for construction work, financing costs, and entrepreneurial profit.

The client has not prepared a formal development budget for the proposed project as of our research date. We project development costs for the proposed project to range from \$150,000,000 to \$180,000,000 or from \$500,000 to \$600,000 per available room. As construction costs have risen in recent years and the subject site has not yet been decided upon, we chose a development cost at the higher end of the range to account for issues that may arise as the development decisions are made.

NATIONAL LODGING MARKET OVERVIEW

We thoroughly analyze trends and statistics within the national lodging market, using our research and that of nationally recognized hospitality data providers. Our analysis focuses on the overall operating performance of the U.S. hotel industry, primarily regarding occupancy, average daily rate (ADR), and revenue per available room (RevPAR). In addition, we consider new supply additions, travel forecasts, performance projections, and hotel sales values. Information in the following overview is the most recent available.

Operating Performance Forecasts

Following a year of record lows in occupancy and RevPAR, the U.S. hotel industry showed welcome signs of improvement in 2021. Compared with 2020, values were up across all key performance metrics, with RevPAR reporting the greatest gains, up 58.2% year-over-year to \$71.88. Strong leisure demand led occupancy and ADR to rise appreciably, but not enough to reach 2019 levels. The following table shows overall performance for U.S. hotels from 2017 to 2021 based on year-end data from STR.

Overall U.S. Lodging Performance						
	Occupancy	% Change	ADR	% Change	RevPAR	% Change
2017	65.9%	0.6%	\$126.72	5.6%	\$83.57	6.3%
2018	66.2%	0.5%	\$129.83	2.4%	\$85.96	2.9%
2019	66.0%	-0.2%	\$131.23	1.0%	\$86.64	0.9%
2020	44.0%	-33.3%	\$103.30	-21.3%	\$45.48	-47.5%
2021	57.7%	31.1%	\$124.68	20.7%	\$71.88	58.2%

Source: STR

According to STR, hotel profit margins were close to pre-pandemic levels by the end of 2021. Better margins stemmed from lower expenses, due to lower demand and a lack of groups and meetings, as well as cuts in room service, more online customer service, and lower employment levels.

For 2022 and 2023, forecasts from STR/Tourism Economics, CBRE Hotels Research, and Kalibri Labs show measurable improvements.

2022 and 2023 Industry Forecasts					
	STR		CBRE		Kalibri
	2022	2023	2022	2023	2022
Occupancy Change	10.8%	3.6%	6.7%	5.2%	10.9%
ADR Change	7.2%	4.5%	10.1%	6.0%	2.5%
RevPAR Change	19.4%	7.0%	17.5%	11.5%	13.7%
Occupancy	63.8%	66.1%	61.3%	64.4%	60.9%
ADR	\$134.00	\$140.00	\$133.94	\$141.99	\$119.43
RevPAR	\$86.00	\$92.00	\$82.04	\$91.46	\$72.71

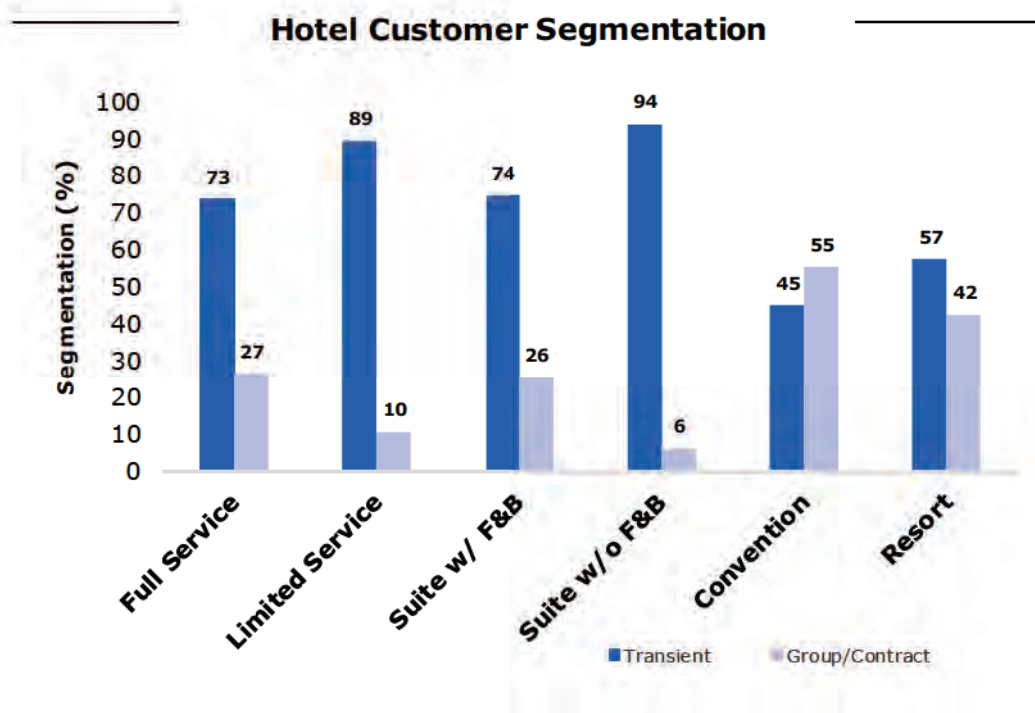
Source: STR/Tourism Economics (January 2022), CBRE (March 2022), Kalibri Labs (January 2022)

The three firms offer similar, but slightly different forecasts for future performance of the hotel industry. STR is projecting higher occupancy levels in 2022 while Kalibri is

forecasting lower ADR levels. The RevPAR projections are similar between CBRE and STR, but lower for Kalibri. CBRE forecasts in 2023 that RevPAR will reach pre-pandemic levels achieved in 2019. CBRE does not expect occupancy to return to its lofty pre-COVID rates given that many hotels are prioritizing rate gains.

Performance by Demand Segment

According to the *2020 TRENDS in the Hotel Industry* report from CBRE Hotels (2019 data), transient business dominates segmentation across all property types (except convention hotels), followed by group/contract business. Contract demand makes up a small portion of demand and was included in the group segment since those rooms are usually booked by the group sales team.



Source: CBRE 2020 Trends in the Hotel Industry

Comparing 2019 data to 2018, nearly every property type experienced small occupancy declines, ranging from 1.2% to 2.4%. Only resorts experienced a slight increase (0.4%) in occupancy in 2019. ADR performance increased across the board except for hotel suites with F&B and hotel suites without F&B, down 2.3% and 1.3%, respectively. RevPAR dropped across most segments as well, with the exception of resorts and limited-service properties. Overall, resorts outperformed all segments with large gains in ADR (7.9%) and RevPAR (8.3%).

Performance Data by Property Type							
	All Hotels	Full Service	Limited Service	Suite w/F&B	Suite w/o F&B	Convention	Resort
Occupancy	74.9%	75.0%	71.5%	76.7%	78.3%	74.9%	73.4%
ADR	\$179.70	\$184.46	\$118.79	\$163.67	\$136.53	\$204.35	\$277.40
RevPAR	\$134.68	\$138.36	\$84.97	\$125.60	\$106.89	\$153.04	\$203.58

Source: CBRE 2020 Trends in the Hotel Industry

Meetings Forecasts

The COVID-19 pandemic led to a near shut-down of in-person meetings in 2020, with the events industry quickly pivoting to virtual events. According to the *2022 Global Meetings and Events Forecast* from American Express Meetings & Events, in-person meetings and events are projected to grow in 2022, with 81% of events expected to have an in-person element. And although meeting professionals are feeling more confident and well-equipped to plan high-quality meetings and events, they are neither expecting nor planning a return to business as usual. The report's global survey of meetings and events professionals found that two-thirds of planners expect their total number of meetings to return to 2019 levels by the second quarter of 2023. Of the meetings expected to take place in 2022 or 2023, approximately 40% are likely to be held as in-person with no virtual component; another 40% will most likely be hybrid (in-person but with a virtual component); and the remaining 20% will most likely remain exclusively virtual. According to Knowland's most recent publication, *U.S. Meetings Recovery Forecast*, the industry will have recovered 58.3% of meetings volume by year end 2022 and will be 86.9% recovered by the end of 2023. Meetings volume is projected to exceed 2019 levels in 2024, reaching 109.8% of pre-pandemic volume.

Recent data from STR shows hotel group demand is returning, but the types of meetings behind that demand are different from pre-pandemic times. According to a June 2021 survey of more than 900 meeting planners in North America and the United Kingdom, smaller meetings, regional meetings, and meetings within driving distance were the meeting types with the highest net propensity to be planned. Meetings in smaller markets and outdoor venues rated high with planners, who were less positive about meetings in non-hotel venues, possibly due to health and safety issues.

New Supply Following a slight dip in the number of new hotel room openings in 2020, the U.S. completed 823 projects accounting for 105,705 rooms in 2021. The following table, which uses year-end construction pipeline data from Lodging Econometrics (LE), details historic and forecasted hotel openings by rooms and the growth rate of total U.S. supply.

U.S. Hotel Openings 2017-2023

Year	Number of New Rooms	Growth of New Supply
2017	117,736	2.3%
2018	112,329	2.0%
2019	119,399	2.1%
2020	97,203	1.3%
2021	105,705	1.9%
2022(Forecast)	90,074	1.6%
2023(Forecast)	93,112	1.6%

Source: Lodging Econometrics

New supply growth grew 1.9% in 2021 and is expected to rise 1.6% in 2022 and 2023.

According to LE's *U.S. Construction Pipeline Trend Report*, the total U.S. construction pipeline was composed of 4,814 projects and 581,953 rooms as of year-end 2021. These results were down 8.0% by projects and 10.5% by rooms compared to 2020; however, projects in the early planning stages stood at 239,816 rooms, up 11.1% year over year.

U.S. Construction Pipeline - Dec 2020 vs Dec 2021

Phase	2020	2021	% Change
Under Construction	199,700	131,247	-34.3%
Final Planning	234,703	210,890	-10.1%
Planning	215,819	239,816	11.1%
Total Pipeline	650,222	581,953	-10.5%

Source: Lodging Econometrics

New project announcements were down in the fourth quarter of 2021; however, analysts at LE expects construction starts to improve moderately in 2022 as impacts from the ongoing COVID-19 pandemic begin to ease. Development roadblocks, including escalating inflation and supply chain shortages that are causing higher prices for labor and materials may continue to prolong hotel development timelines in the short term.

LE also identified the U.S. markets with the largest total hotel construction pipelines as of year-end 2021:

- Dallas with 152 projects and 12,180 rooms
- Atlanta with 133 projects and 17,593 rooms
- New York City with 121 projects and 19,303 rooms
- Los Angeles with 120 projects and 19,815 rooms
- Houston with 91 projects and 9,912 rooms

The top 50 markets saw 449 hotels/63,742 rooms open in 2021. LE is forecasting these same 50 markets to open another 446 projects/57,837 rooms in 2022 for a 2.2% growth rate, and 421 projects/52,460 rooms in 2023 for a growth rate of 1.9%.

At the end of 2021, there were 17 markets with total pipelines in excess of 15% of their current census, making them most likely to see the fastest supply growth and largest

supply-demand variances over the next few years. Raleigh-Durham topped this list at 24.1%, followed by Miami, Fort Worth-Arlington, Austin, and then Memphis at 22.1%.

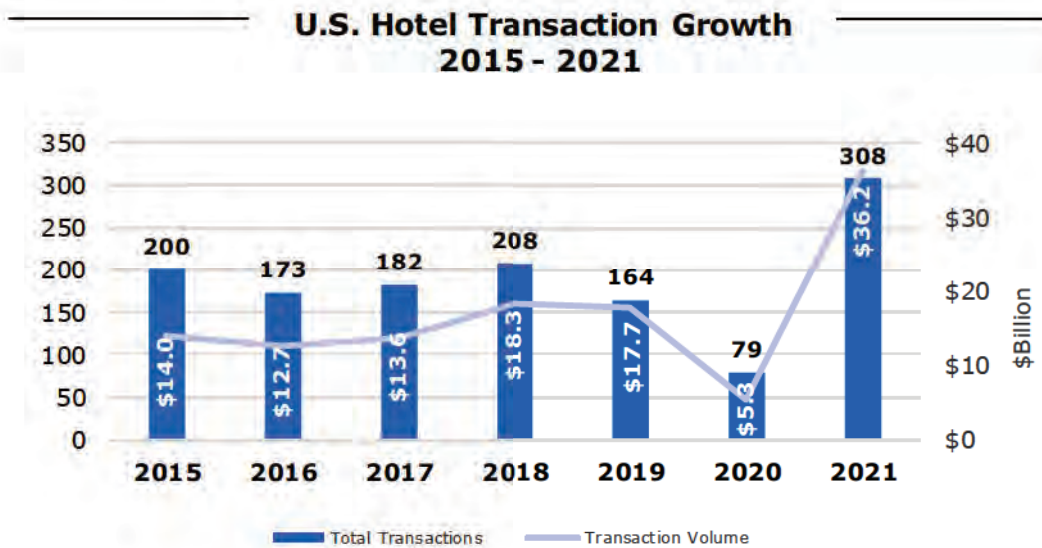
Travel Forecasts

According to the *Global Business Travel Association's (GBTA) BTI Outlook 2022*, the global business travel recovery that began in late 2020 experienced some setbacks in 2021, including pandemic surges, variant introductions, uneven vaccination rates, and supply chain challenges. Despite this, North America led the global travel recovery, rebounding 27% in 2021 as Europe, Asia Pacific, and other markets gained only 10% to 20% growth. In 2022, business travel spending is expected to increase 38% to over \$1 trillion. Recovery will continue into 2023, with global spending rising 23% year-over-year as even more international and group travel comes back online. Full recovery is expected in 2024, ending the year on pace with the 2019 pre-pandemic spend of \$1.4 trillion. In 2025, global business travel growth is forecast to slow to 4.3% – just below the 10-year average growth rate of 5.1% coming into 2020 – ending the year at a forecasted \$1.5 trillion.

Not everyone agrees that business travel will return to pre-pandemic levels. According to a recent report from McKinsey Global Institute, *The Future of Work after COVID-19*, leisure travel and tourism will likely rebound when the pandemic ends, but approximately 20% of business travel may not return. McKinsey researchers also predict that about 20% of workers could end up working from home indefinitely, indicating more companies are adopting video conferencing technologies that allow for virtual meetings.

Hotel Sales & Investment

We analyzed historical sales activity for hotel transactions as reported in the *LWHA 2021 Major U.S. Hotel Sales Survey*, an annual publication from LW Hospitality Advisors. The following table shows historical statistics from the 2015 to 2021.



Note: Includes only single asset sale transactions over \$10 million

Source: LWA 2021 Major U.S. Hotel Sales Survey

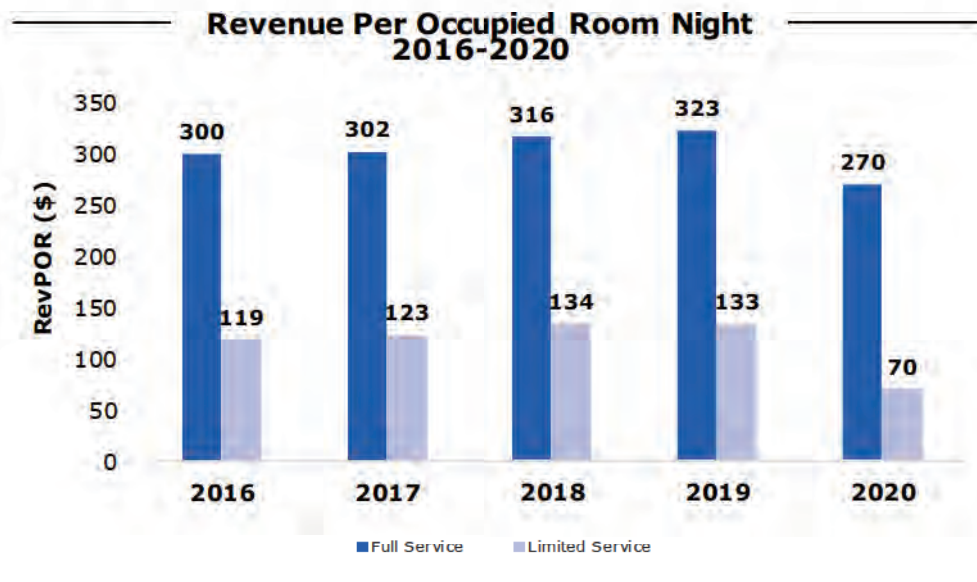
Between 2015 and 2019, major U.S. hotel deals were averaging around 190 transactions per year, but hotel deals and prices fell drastically after the pandemic began in 2020. In 2021, the number of major trades increased nearly fourfold to a record high of 308 transactions. These transactions totaled more than \$36.2 billion and included approximately 84,200 hotel rooms for an average sale price per room of \$431,000, which was up roughly 58% from 2020's price per room of \$273,000. By further comparison, LWA identified 164 transactions in 2019 totaling roughly \$17.7 billion and including 48,800 hotel rooms with an average sale price per room of \$364,000.

According to CBRE, the hotel investment market is moving from value to growth. In contrast to 2020, when value investors snapped up distressed assets at a +/- 30% discount to pre-pandemic levels, investors are now attempting to predict how the altered state of hotel demand will generate revenue growth up to stabilization and perhaps new highs. In 2021, demand for hotel assets generally mirrored consumer demand trends, with many leisure-oriented hotels trading at high premiums. As the pace of recovery in corporate and group demand unfolds, CBRE expects pricing for group and corporate-oriented hotels will increase.

In its *Fall 2021 Hotel Broker Survey*, HVS reported capitalization rates on favorable assets have stabilized and are expected to exceed 2019 rates by the third quarter of 2022. Limited-service hotels were reported to have an average cap rate of 8.6%, select-service hotels a rate of 8.1%, full-service hotels a rate of 8%, and luxury and upper-upscale hotels were at 6.7%. Though limited-service and select-service rates are much lower than normal, HVS expects those rates to increase over time. Full-service hotel values will take longer to recover, due to greater cost pressures and lagging RevPAR in that segment.

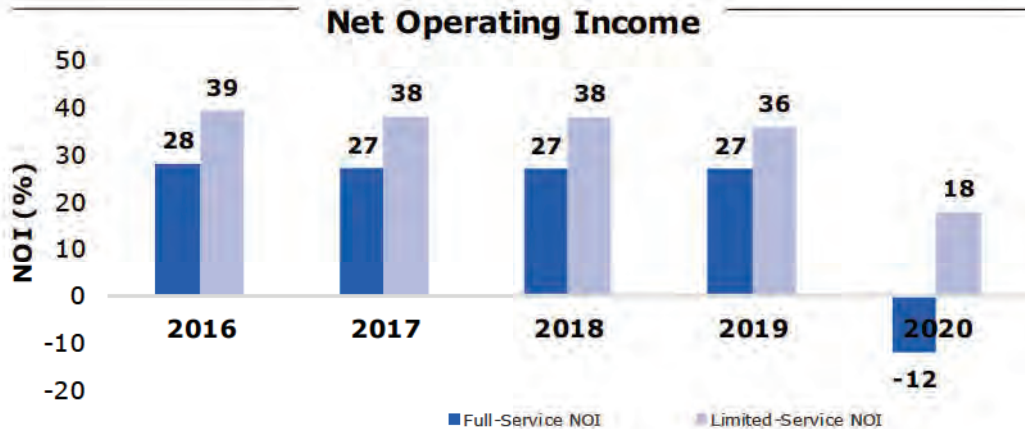
Financial Performance

We analyzed financial statistics published in STR's 2021 Hotel Profitability Study and previous years of the HOST Almanac, which includes year-end income and expense statements of more than 15,000 hotels. The following charts present selected financial data for full-service and limited-service hotels for the past five years. Note that both RevPOR and NOI ratios were down significantly in 2020 due to the coronavirus pandemic.



Source: STR 2021 Hotel Profitability Study

Revenue per occupied room (RevPOR) is much higher for full-service hotels, given their higher rates and strong reliance on food and beverage. However, while full-service hotels generate higher RevPOR, they lag their limited-service counterparts in both gross operating profit and net operating income (NOI) ratios due to the higher expenses these properties incur to deliver the expected level of service. In 2020, the limited expenses and ability to more easily control costs allowed limited-service hotels to achieve profits at a lower occupancy than what is required of full-service hotels.



Source: STR 2021 Hotel Profitability Study

Regional Hotel Overview

STR also tracks key performance metrics by region. The following table shows the performance of U.S. hotels by region for 2018 to 2021, based on statistics from STR's *Hotel Review*.

U.S. Hotel Performance by Regions												
	Occupancy				ADR				RevPAR			
	2018	2019	2020	2021	2018	2019	2020	2021	2018	2019	2020	2021
New England	65.9%	64.7%	38.6%	55.7%	\$157.96	\$161.08	\$123.17	\$156.04	\$104.16	\$104.25	\$47.87	\$86.93
Middle Atlantic	69.8%	69.0%	41.3%	55.4%	\$166.18	\$166.27	\$115.26	\$143.60	\$116.00	\$114.81	\$47.78	\$79.52
South Atlantic	67.9%	67.5%	45.7%	59.9%	\$126.45	\$128.41	\$107.99	\$130.29	\$85.88	\$86.68	\$49.31	\$78.08
East North Central	61.6%	61.1%	39.0%	52.4%	\$112.44	\$112.64	\$86.72	\$105.15	\$69.30	\$68.82	\$34.04	\$55.11
East South Central	62.0%	62.4%	45.6%	59.5%	\$100.79	\$103.58	\$39.18	\$104.49	\$62.45	\$64.61	\$39.12	\$62.21
West North Central	58.0%	58.3%	39.0%	51.1%	\$99.00	\$99.28	\$83.65	\$97.01	\$57.38	\$57.88	\$32.68	\$49.58
West South Central	62.7%	62.6%	44.9%	58.2%	\$102.53	\$101.84	\$82.88	\$95.84	\$64.29	\$63.77	\$37.13	\$55.73
Mountain	66.2%	66.9%	46.5%	59.6%	\$119.06	\$121.89	\$105.79	\$124.82	\$78.88	\$81.54	\$49.01	\$74.44
Pacific	73.8%	73.6%	47.2%	60.3%	\$168.55	\$171.40	\$129.57	\$157.57	\$124.45	\$126.16	\$60.96	\$94.97
Total U.S.	66.2%	66.0%	44.0%	57.7%	\$129.97	\$131.23	\$103.25	\$124.68	\$85.96	\$86.64	\$45.44	\$71.88

Source: STR Hotel Review

All regions achieved ADR growth between 2017 and 2019. Mirroring national trends, all regions experienced significant year-over-year declines in occupancy, ADR, and RevPAR in 2020. Hotel performance improved across all regions in 2021, despite the uneven recovery across top U.S. markets and location types. As it has in previous years, the Pacific led all regions in occupancy, RevPAR, and ADR in 2021.

Hotel Trends and Concerns

Despite widespread hope for a slow return back to normal, the hotel industry faced new concerns in 2021. Hotel & Leisure Advisors' consultants have worked on many assignments in 2021 and have seen firsthand how some of these new concerns and trends are affecting all segments of the industry. The following is our top 10 list of the issues affecting the industry. While the hope is that some trends will not last, others seem poised to be part of that new normal the industry is working toward.

- 1. Labor Shortage.** The national labor shortage significantly affected the hospitality industry in 2021. As industries reopened, hotels and leisure properties were forced to staff quickly. This, combined with the many job seekers still reluctant to get back into the roles they once had, caused shortages across all segments. According to recent figures from Business Insider, the industry is still down around 2 million jobs from February 2020. In an added headache for hoteliers, a survey by Joblist found that 38% of former hospitality workers were not considering going back to work in the industry.
- 2. Wage Increase.** In part due to the labor shortage, wages and salaries grew by 0.9% from the first to second quarter of 2021. However, hospitality wages and salaries grew by 2.8%, which is the largest increase across the industry since 2001, according to the U.S. Bureau of Labor Statistics. Labor shortages have forced many hotel and leisure properties to increase wages as they compete for workers. Larger properties were able to weather the increases better by offering higher wages that smaller or independent properties could not afford to pay. According to the Bureau of Labor Statistics, the average hourly wage for leisure and hospitality workers stood at \$19.04 as of October 2021.
- 3. Reduction in Business Travel.** In 2019, households and businesses spent approximately \$1.1 billion on travel. That number decreased by 70% in 2020, but with only a 29% decrease for leisure travelers. Business travel dropped off precipitously due to the pandemic, and despite optimistic forecasts for 2021, continued concerns have delayed robust recovery. Many experts believe business travel will not return to pre-pandemic levels until 2024 or later. Hotels that historically relied on business travelers will be at a significant disadvantage in recovery and will have to consider a shift in their business model, at least temporarily.
- 4. Government Stimulus Boosted Demand.** In response to the pandemic, the U.S. government spent an unprecedented amount of money that was sent directly to taxpayers and businesses to help keep them afloat during the economic turmoil. Those funds, made available through legislation such as the CARES Act and the Paycheck Protection Program, provided immediate economic relief. Some hoteliers and forecasters have noted that those funds have strengthened the recovery of the U.S. hotel industry in 2021. Lodging demand has outperformed many forecasts for 2021 as many customers spent stimulus on travel.
- 5. Experience Economy.** It's not that travelers and guests are only just now starting to put value on experiences while traveling. It's that they are continuing to value those experiences over things. This has caused a continued shift in recent years in hotels and resorts increasing these types of offerings for guests. Hotels

are now seen by many as not just a place to stay, but as a place to be and experience the culture of the surrounding area. The key to creating an experience for guests is authentic interior design, technology, and a more immersive environment.

- 6. Daily Housekeeping a Thing of the Past?** Elimination of daily housekeeping ramped up at the height of the pandemic in 2020, even while additional cleaning measures became essential. What started as a way to limit contact with guests' rooms has also morphed into a cost-saving measure for many properties that continue the practice even as pandemic concerns abate. In our consultants' travels, they noted that many hotels were only servicing rooms at check-out or by specific request.
- 7. Automation, Smart Rooms and Technology.** While digital check-in and digital keys were around before the pandemic began, the technology is being used more frequently and accepted by guests as a safe alternative to traditional practices. With an app-based room key, guests can submit credit card information, upload ID, and electronically sign the registration card from their phones. As pandemic concerns ease, we will continue to see an increase in digital check-ins as people appreciate the convenience and ability to bypass the front desk. Hotels that invest in these technologies may recognize cost savings in the long term and a boost in the short term as labor shortages make technology options less of a perk for hoteliers and more of a necessity to survive.
- 8. Inflation Concerns.** According to investment research firm Ycharts, the U.S. inflation rate for hotels and restaurants as of October 2021 was 6.5%. As the costs of food and beverage, labor and materials increase, hotels have to either eat those costs and risk profits or pass those costs on to consumers in the form of higher room rates. This is where hotels must rely on revenue-management strategies to walk that fine line.
- 9. Loyalty Programs.** Several of the national hotel chains have continued to ease requirements to earn tier status among their respective brand loyalty programs. In many cases, qualification thresholds have been cut in half when compared to pre-pandemic practices. Rewards points within these programs have also been extended, allowing guests more flexibility in redemption. With these changes, some chains have altered the benefits provided by each brand within their portfolio. In our consultants' experience, this changeover has been met with mixed feelings by travelers and hotel employees.
- 10. Drive-To Vacation Destinations.** Travel restrictions in 2020 helped to facilitate a rise in the popularity of drive-to vacations closer to home. Compared to the hassle of some long-haul travel – including universal masking, mandatory testing in some destinations, and the possibility of quarantine – drive-to vacation destinations offer travelers a more affordable and flexible option in the current travel environment. We expect that with more travelers appreciating these benefits, this trend will continue well into the future.

Moving forward, we expect the industry to face the challenges and changes as it always does, with expertise and innovation.

ANALYSIS OF INDOOR WATERPARK RESORTS

A waterpark is a type of amusement park that features water play areas such as waterslides, splash pads, wave pools, lazy rivers, and swimming pools. The United States has the largest and most concentrated waterpark market in the world. According to our research, over 1,000 larger waterparks exist within the United States. Hotel & Leisure Advisors defines waterparks as follows:

- An outdoor waterpark is a facility offering three or more waterslides and other aquatic features.
- An indoor waterpark resort is a lodging establishment containing an indoor aquatic facility with a minimum of 10,000 square feet of indoor waterpark space and inclusive of amenities such as slides, tubes, and a variety of indoor water play features.
- A standalone indoor waterpark is an aquatic center without an attached hotel, having a minimum of 10,000 square feet, inclusive of at least three amenities such as slides, tubes, and a variety of indoor water play features.
- A resort hotel with outdoor waterpark is a hotel with three or more water play features, such as slides, lazy rivers, or wave pools.

The following table identifies, by region, the current supply of waterparks as defined above.

2022 US and Canada Open Waterpark Supply by Region

Outdoor Waterparks

Region	Municipal/Non-Profit	Private	Total
Northeast	15	57	72
Midwest	257	41	298
South	179	120	299
West	67	46	113
Canada	8	25	33
Total	526	289	815

Note: Outdoor Waterpark is defined as an aquatic facility without attached hotel having 3 or more slides.

Indoor Waterpark Resorts

Region	Franchise	Independent	Total
Northeast	6	12	18
Midwest	30	50	80
South	7	12	19
West	11	4	15
Canada	9	6	15
Total	63	84	147

Note: Indoor Waterpark Resort is defined as a hotel with more than 10,000 square feet of indoor waterpark space.

Standalone Indoor Waterparks

Region	Municipal/Non-Profit	Private	Total
Northeast	2	2	4
Midwest	36	0	36
South	21	1	22
West	44	3	47
Canada	22	2	24
Total	125	8	133

Note: Standalone Indoor Waterpark is defined as being larger than 10,000 square feet with at least three water features.

Resorts with Outdoor Waterparks

Region	Franchise	Independent	Total
Northeast	0	3	3
Midwest	0	4	4
South	21	28	49
West	16	7	23
Canada	0	3	3
Total	37	45	82

Note: Resort with Outdoor Waterpark is defined as a resort hotel having an outdoor waterpark with at least 3 features (slide, lazy river, wave pool, etc.) excluding resorts that also have indoor waterparks.

Total Number of US and Canadian Waterparks **1,177**

Source: Hotel & Leisure Advisors, April 2022

The development of indoor waterpark resorts and the addition of indoor waterparks to existing hotels in North America have become more widespread since 2000. This growth is due to their popularity with families and their appeal as a short weekend or two- to three-day getaway for families that may not have time for longer vacations. The primary growth of indoor waterparks in hotels and resorts is in historically summer resort locations, although they have also been developed in suburban and urban locations.

Although numerous hotels bill their indoor pools as waterparks, H&LA categorizes those with less than 10,000 square feet of aquatic area as hotels with water features. H&LA divides indoor waterpark resorts into two categories:

- An indoor waterpark destination resort has more than 30,000 square feet of indoor waterpark space and is considered a destination resort that families visit year-round primarily due to the waterpark and secondarily because of other attractions or events in the area.
- A hotel with indoor waterpark has 10,000 to 30,000 square feet of attached indoor waterpark space that serves as an amenity to the hotel rather than a true destination.

The following table defines the types of indoor waterparks being developed in lodging establishments in North America.

Types of Hotels with Indoor Waterparks			
	Hotel with Water Features	Hotel with Indoor Waterpark	Indoor Waterpark Destination Resort
Size of Aquatic Area	1,000 to less than 10,000 square feet	10,000 to less than 30,000 square feet	30,000+ square feet
Possible Amenities	swimming pool, slide, toddler area with mushroom, spray gun	multiple slides, tree house with slides, spray guns, tipping buckets, Jacuzzi, various pools, lazy river	multiple slides, tree house with slides, spray guns, tipping buckets, Jacuzzi, various pools, lazy river, wave pool, water coaster, surfing, outdoor waterpark features
Capacity	up to 250 people	250 to 750 people	750 to 5,000 people
Minimum Number of Lifeguards	1	3	10
Arcade Size	0 to 1,000 square feet	1,000 to 3,000 square feet	3,000 to 10,000 square feet

Source: Hotel & Leisure Advisors

Indoor waterpark destination resorts are year-round destinations that attract families interested in the waterpark and other resort activities, which may include an arcade or family entertainment center, shopping, spa, fitness facilities, indoor play area, and kids' club with supervised activities. They feature a variety of room types that are often larger than typical hotel rooms and are popular with families that have children ages 14 and younger.

Two distinct trends are appearing in the growth of indoor waterparks:

- Smaller projects typically include adding a waterpark to an existing hotel (typically franchised) or the development of a franchised hotel with an indoor waterpark. The waterpark is offered as a guest amenity but is not the entire focus of a hotel.

These properties have not performed as well in terms of occupancy and average daily rates (ADR) and have more conflicts between families and corporate guests.

- Destination resorts (typically independent) consist of larger themed properties with additional amenities and larger waterpark areas. The focus is on leisure travelers whose primary interest is the resort's waterpark and complementary amenities. These properties tend to perform better in terms of occupancy and ADR.

Due to the upheaval caused by the COVID-19 pandemic in 2020, we have utilized statistical information from 2019, as a representative benchmark year for indoor waterpark resort performance where appropriate throughout this analysis.

National Indoor Waterpark Resort Supply

There are nearly 150 indoor waterpark resorts in the United States and Canada. The largest concentration of hotels with indoor waterparks is in Wisconsin Dells, Wisconsin, which has 12 hotels totaling 5,429 rooms and 679,000 square feet of indoor waterpark space.

US/Canada Indoor Waterpark Resorts Supply by State/Province						
State	Count of Resorts	Average Room Count	Indoor Waterpark Size (SF)			Percent Franchised
			Average	High	Low	
Arizona	1	350	85,000	85,000	85,000	100.0%
California	2	552	100,000	105,000	95,000	100.0%
Colorado	3	646	25,667	45,000	10,000	100.0%
Florida	1	391	30,000	30,000	30,000	0.0%
Georgia	1	457	100,000	100,000	100,000	100.0%
Idaho	2	182	31,000	42,000	20,000	50.0%
Illinois	3	339	41,000	80,000	19,000	66.7%
Indiana	2	119	26,000	40,000	12,000	0.0%
Iowa	5	133	19,600	25,000	10,000	20.0%
Kansas	2	188	29,000	38,000	20,000	100.0%
Massachusetts	4	324	34,500	61,000	10,000	75.0%
Michigan	12	225	26,843	58,000	10,000	16.7%
Minnesota	15	174	25,867	75,000	10,000	46.7%
Missouri	5	261	17,440	25,000	10,000	40.0%
Montana	1	109	25,000	25,000	25,000	0.0%
Nebraska	1	114	10,000	10,000	10,000	100.0%
New Hampshire	1	160	35,000	35,000	35,000	0.0%
New Jersey	1	283	30,000	30,000	30,000	0.0%
New York	5	198	36,300	80,000	10,000	20.0%
North Carolina	1	402	84,000	84,000	84,000	100.0%
North Dakota	3	167	24,333	40,000	12,000	66.7%
Ohio	4	450	81,125	174,500	33,000	50.0%
Oklahoma	2	117	23,650	28,000	19,300	50.0%
Oregon	1	245	10,000	10,000	10,000	0.0%
Pennsylvania	6	554	99,333	220,000	20,000	33.3%
South Carolina	4	443	15,500	25,000	10,000	0.0%
South Dakota	4	311	21,250	30,000	12,000	75.0%
Tennessee	4	1,111	55,625	95,000	30,000	25.0%
Texas	4	592	100,500	223,000	19,000	50.0%
Utah	1	191	10,000	10,000	10,000	100.0%
Vermont	1	416	50,000	50,000	50,000	0.0%
Virginia	2	901	61,625	67,000	56,250	50.0%
Washington	3	278	26,000	58,000	10,000	66.7%
Wisconsin	24	296	39,192	205,000	10,000	25.0%
Wyoming	1	160	11,000	11,000	11,000	100.0%
Total US	132	328	41,181			40.9%
Alberta	3	260	80,600	217,800	12,000	66.7%
Manitoba	2	123	10,000	10,000	10,000	0.0%
Ontario	6	456	40,833	90,000	15,000	83.3%
Quebec	2	261	58,500	102,000	15,000	0.0%
Saskatchewan	2	197	10,500	11,000	10,000	100.0%
Total Canada	15	312	40,087			60.0%

Note: Indoor Waterpark Resort is defined as a hotel with more than 10,000 square feet of indoor waterpark space.

Source: Hotel & Leisure Advisors, April 2022

The following table and map indicate existing hotels and resorts with indoor waterparks in Virginia and the surrounding states and provinces.

Indoor Waterpark Resorts - Regional Area					
Name	Location	State/ Province	Affiliation	Room Count	Waterpark Area (SF)
Massanutten Resort with Indoor and Outdoor Waterpark	McGaheysville	VA	Independent	1,396	56,250
Great Wolf Lodge - Williamsburg	Williamsburg	VA	Franchise	405	67,000
Splash Lagoon - Hawthorn Suites, HI Express & Comfort Inn	Erie	PA	Franchise	300	100,000
Hershey Lodge with Waterworks Indoor Waterpark	Hershey	PA	Independent	665	20,000
Split Rock Resort with H2Oooohh!	Lake Harmony	PA	Independent	525	53,000
Kalahari Resort - Pocono Manor	Pocono Manor	PA	Independent	977	220,000
Great Wolf Lodge - Pocono Mountains	Scotrun	PA	Franchise	401	78,000
Camelback Lodge & Aquatopia Indoor Waterpark	Tannersville	PA	Independent	453	125,000
Hotel ML with CoCo Key Indoor Waterpark (former Marriott)	Mount Laurel	NJ	Independent	283	30,000
Great Wolf Lodge - Charlotte/Concord	Concord	NC	Franchise	402	84,000
Total				5,807	833,250
Average				581	83,325

Note: Indoor Waterpark Resort is defined as a hotel with more than 10,000 square feet of indoor waterpark space.

Source: Hotel & Leisure Advisors, April 2022



Nearest Indoor Waterpark Resorts



2021 Indoor Waterpark Resorts Opening and Expansions

The following table shows indoor waterparks and expansions that opened in 2021.

U.S. and Canada Indoor Waterparks and Resorts Opened or Expanded in 2021				
Waterpark/Resort	Location		New Rooms	Indoor Waterpark Sq. Ft.
Great Wolf Lodge	Manteca	CA	500	95,000
Berthoud Recreation Center	Berthoud	CO	0	49,000
Marimn Health Coeur Center	Worley	ID	0	12,000
Island Resort & Casino Expansion	Harris	MI	138	14,010
New Ulm Rec Center Expansion	New Ulm	MN	0	30,000
The Salvation Army Ray and Joan Kroc Corps Community Center	Ashland	OH	0	20,000
Brecksville Community Center Indoor/Outdoor Aquatics Expansion	Brecksville	OH	0	2,700
Sunriver Resort Aquatic Center Expansion	Sunriver	OR	0	10,000
The Cove at The Lakefront	Little Elm	TX	0	38,000
Long Bridge Aquatics & Fitness Center	Arlington	VA	0	73,000
Total			638	343,710

Source: Hotel & Leisure Advisors, April 2022

Room and waterpark additions in 2021 were approximately half of 2020 with 1,149 rooms and 625,200 square feet, respectively. The two most significant openings were:

- After a postponement from 2020, Great Wolf Resorts opened its new Manteca, California resort, which offers 500 rooms and a 95,000-square-foot indoor waterpark. The \$220 million resort also features a 45,000-square-foot adventure park that will include ropes courses, an arcade, mini-golf, and a live-action adventure game.
- The Island Resort and Casino in Harris, Michigan, added a 14,000-square-foot indoor waterpark, 138 additional hotel rooms, restaurant, and additional conference space to their casino resort property. The \$30 million expansion will increase the hotel size to 455 rooms.

2022 Proposed Indoor Waterpark Openings and Expansions

The following table shows indoor waterparks and resorts projected to open or expand in 2022.

U.S. and Canada Indoor Waterparks and Resorts Projected to Open or Expand in 2022				
Waterpark/Resort	Location		New Rooms	Indoor Waterpark Sq. Ft.
Tropic Falls Indoor Waterpark @ OWA	Foley	AL	0	100,000
New Downtown Pool with Slide and Lazy River	Prince George	BC	0	60,000
Blast Off Bay Waterpark at Goddard Aquatic Center with Hotel and Genesis Health Club	Goddard	KS	133	60,000
Holland Community Aquatic Center Expansion	Holland	MI	0	30,000
Grand Country Inn with Splash Country Waterpark Expansion	Branson	MO	0	20,000
Morristown Landing Community Center	Morristown	TN	0	30,000
Mt. Olympus Resort Expansion of Indoor Waterpark	Wisconsin Dells	WI	0	22,500
Wild West Waterpark at Wilderness Resort - Water feature additions	Wisconsin Dells	WI	0	0
Total			133	322,500

Source: Hotel & Leisure Advisors, April 2022

There are 322,500 square feet of new indoor waterpark space and 133 new rooms planned, marking another year of continued growth in this market segment. The two most significant projected openings include:

- OWA's amusement park, The Park at OWA, in Foley, Alabama, will open a 100,000-square-foot indoor waterpark and a family-friendly RV park as part of its \$100 million Phase II expansion project. An accompanying 200-room resort hotel with conference space will open in 2023.
- As part of a multi-sports complex in Goddard, Kansas, the Goddard Aquatic Center is adding a 60,000-square-foot indoor waterpark and natatorium and a connected 133-room, four-story Hampton Inn hotel.

We identified a few proposals for indoor waterpark resort properties within Virginia and the surrounding states. In our opinion, the proposals are concerning for any proposed development. However, one of these projects is still preliminary and may not occur while the other two are under construction. The closest proposals to the subject include the following:

- Great Wolf Lodge Maryland broke ground in 2021 and is projected to be completed by middle-to-late 2023. This property is the 20th resort developed by Great Wolf Resorts and will be the largest with 700 guestrooms and suites, a 126,000-square-foot indoor waterpark, a 57,000-square-foot family entertainment center, 12,000 square feet of conference space, and several dining options. The Perryville, Maryland resort will sit on 48-acres adjacent to a casino. It will be a convenient resort to residents of the Baltimore, Philadelphia, Washington DC and Wilmington areas. The picture below was taken by our staff in April 2022.



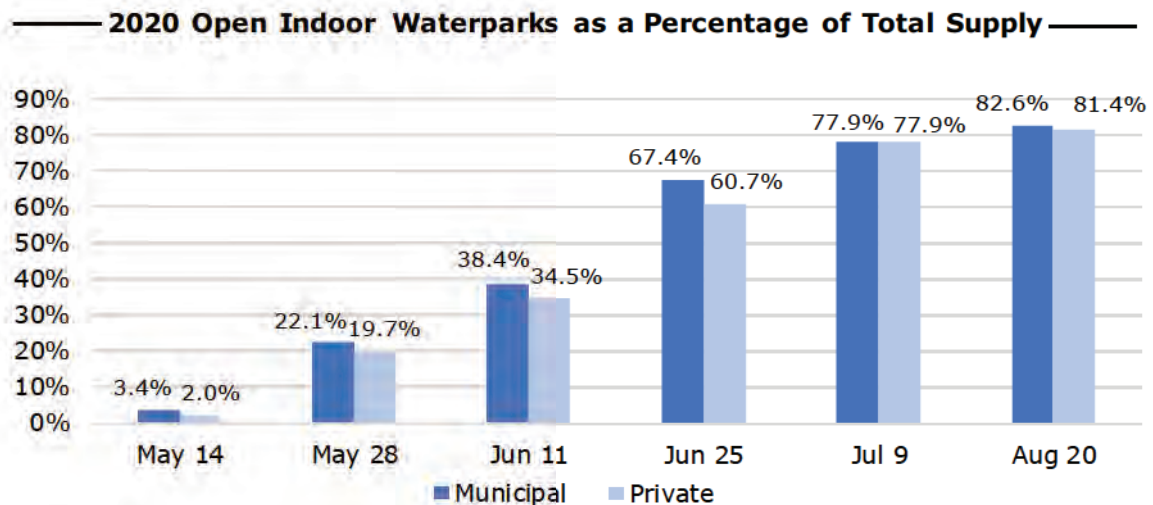
- In January 2022, a ceremonial groundbreaking was held to mark the beginning of construction on Island Waterpark at the Showboat hotel in Atlantic City, New Jersey. Island Waterpark is expected to have 100,000-square-feet of indoor space that will feature water slides, pools, lazy river, food and beverage outlets, party rooms, and 10,000-square-foot adults-only area that serves cocktails and drinks. The eastern section of the property will feature outdoor volleyball courts, enclosed water slide, and a bar facing the Atlantic Ocean. The waterpark will link up to the Lucky Snake Arcade, which spans 80,000 square feet and will feature over 300 games. The facility aims to open in 2023 but has not finalized financing.
- Kalahari Resort and Conventions announced a proposal to develop a 900-room hotel, 156,278-square-foot convention center, 267,429-square-foot indoor waterpark and family entertainment center, multiple restaurant and retail facilities, and a 10-acre outdoor resort pool/waterpark. The project will also include employee housing and other accessory facilities. The proposal would be on

135 acres in the Thornburg area of Spotsylvania County off Interstate 95. The project still requires county zoning approval and to finalize financing.

Although there are a number of proposals for indoor waterpark properties within the mid-Atlantic states, none within the immediate area of the subject is close to starting construction. We included the Great Wolf Lodge Maryland in our analysis as its size and proximity to Baltimore and Washington D.C. suburbs will have an impact on our proposed property. We did not include the Kalahari indoor waterpark resort project in our penetration analysis but acknowledge that if it is built, it could impact the subject development.

Impact of COVID-19

The COVID-19 crisis has had a significant negative effect on the waterpark industry. Waterparks play a major role in providing entertainment, supporting job creation, fostering small business opportunities, and contributing to robust economic growth. Due to COVID-19, many outdoor waterparks delayed their season openings in 2020 while others decided, or were mandated, not to open at all. Many indoor waterpark resorts and standalone indoor waterparks were forced to close for several months or longer. From mid-May to mid-August 2020, H&LA tracked the closings of waterparks across all segments. Some indoor waterpark resorts remained open for lodging during that period, but their waterparks were closed. For our analysis, we considered these properties as closed. As shown in the chart below, the number of open indoor waterparks increased significantly over time.



Source: Hotel & Leisure Advisors

In the spring of 2020, nearly all indoor waterparks were closed in the United States. By August, over 80% of municipal and private indoor waterparks had reopened, although approximately 18% remained closed.

H&LA estimates an overall impact of the COVID-19 pandemic of \$3.7 billion in lost revenue and 83.9 million in lost attendance for all outdoor waterparks, resorts with outdoor waterparks, standalone indoor waterparks, and indoor waterpark resorts in the

United States in 2020. (This estimate does not include the impact on manufacturers, suppliers, and other businesses that cater to the waterpark industry.) Standalone indoor and outdoor waterparks account for \$1.4 billion in lost revenue and 61.2 million in lost attendance, while resorts with an indoor or outdoor waterparks account for \$2.3 billion in lost revenue and 22.7 million in lost attendance. Attendance was down 62% from 2019 at U.S. waterparks due to the closures and mandates associated with COVID-19.

Impact of COVID-19 on U.S. Waterpark Attendance

	2019	2020	Impact	Percent
Standalone Indoor and Outdoor Waterparks	88,000,000	26,800,000	-61,200,000	-70%
Resorts with Indoor and Outdoor Waterparks	46,500,000	23,800,000	-22,700,000	-49%
Total	134,500,000	50,600,000	-83,900,000	-62%

Source: Hotel & Leisure Advisors, March 2021

Our estimate of an overall impact of \$3.7 billion in lost revenue for the waterpark industry does not include the impact on manufacturers, suppliers, and other businesses that cater to the waterpark industry. The long-term impact on waterparks in the United States will depend upon the extent to which the virus spreads, the length of closures, and other factors. We anticipate that the industry will return to pre-COVID-19 pandemic levels by 2023. As people feel more comfortable in a post-pandemic world, we forecast that waterparks will again become a major draw for families in locations throughout the United States and globally.

Sizing of Waterparks: The typical indoor waterpark resort property has approximately 150 to 200 square feet of net indoor waterpark space (waterpark area and play area but excluding arcade, gift shop, offices) per guestroom. This correlates with research that indicates an indoor waterpark should have approximately 40 to 45 square feet of space per person.

Indoor Waterparks Occupancy and Average Room Rates: Waterpark resorts generally outperform non-waterpark hotels in the same market. There are several reasons for this premium performance, including:

- Year-round destination
- Elimination of weather-related vacation risks
- Wide appeal of water-based recreation
- Increasing demand for short drive-to getaway vacations
- Themes with varying levels of appeal
- Location proximate to customer base
- Location within established family vacation market

Performance Figures of Indoor Waterpark Resorts

Occupancy, ADR, and RevPAR for 10 Larger Indoor Waterpark Destination Resorts: We analyzed the occupancy, ADR, and RevPAR performance figures for 10 indoor waterpark destination resorts, using five years of historical data. These resorts are located throughout the United States and represent a variety of brands and properties. This analysis highlights the change in RevPAR between the years, which is shown in the following table.

Historical Performance of Grouping of Indoor Waterpark Destination Resorts

10 resorts with average of 601 rooms

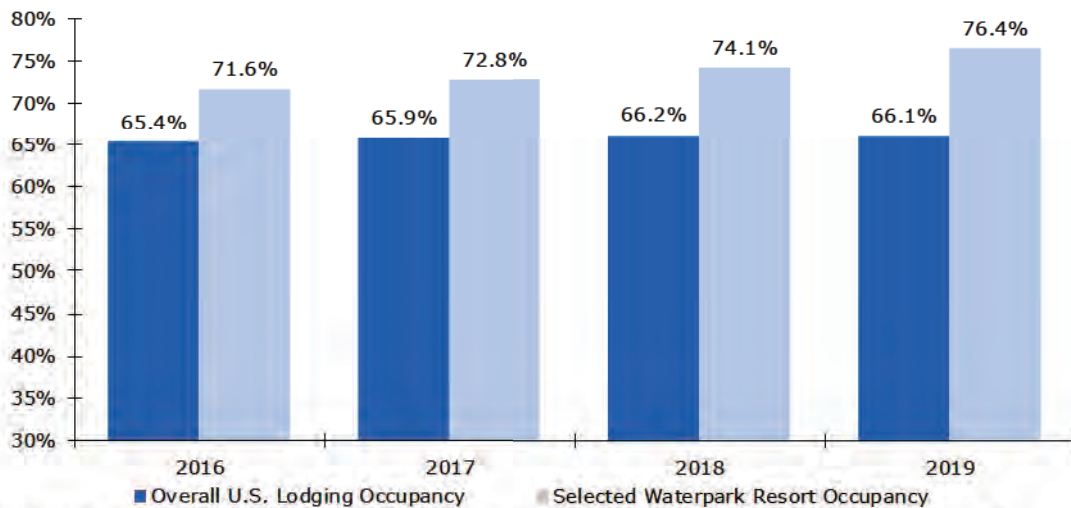
<u>Year</u>	<u>Occupancy</u>	<u>ADR</u>	<u>RevPAR</u>	<u>% Change RevPAR</u>
2015	67.0%	\$248.53	\$166.44	-1.5%
2016	71.6%	\$236.91	\$169.72	2.0%
2017	72.8%	\$250.40	\$182.21	7.4%
2018	74.1%	\$248.70	\$184.25	1.1%
2019	76.4%	\$247.43	\$189.01	2.6%

Note: Resorts contain over 30,000 SF of indoor waterpark and ADR includes waterpark passes

Source: Hotel & Leisure Advisors

The 10 resorts contain an average indoor waterpark of 104,550 square feet. Occupancy levels increased strongly between 2015 and 2019 as many properties achieved their highest annual occupancy levels due to being more flexible on rates and attracting more midweek business. The ADR showed a slight decline over the five-year period, which is partially due to the reclassification of resort fees from room revenues to miscellaneous income. The following tables indicate occupancy and ADR performance figures for the 10 indoor waterpark resorts as compared to the overall United States lodging industry.

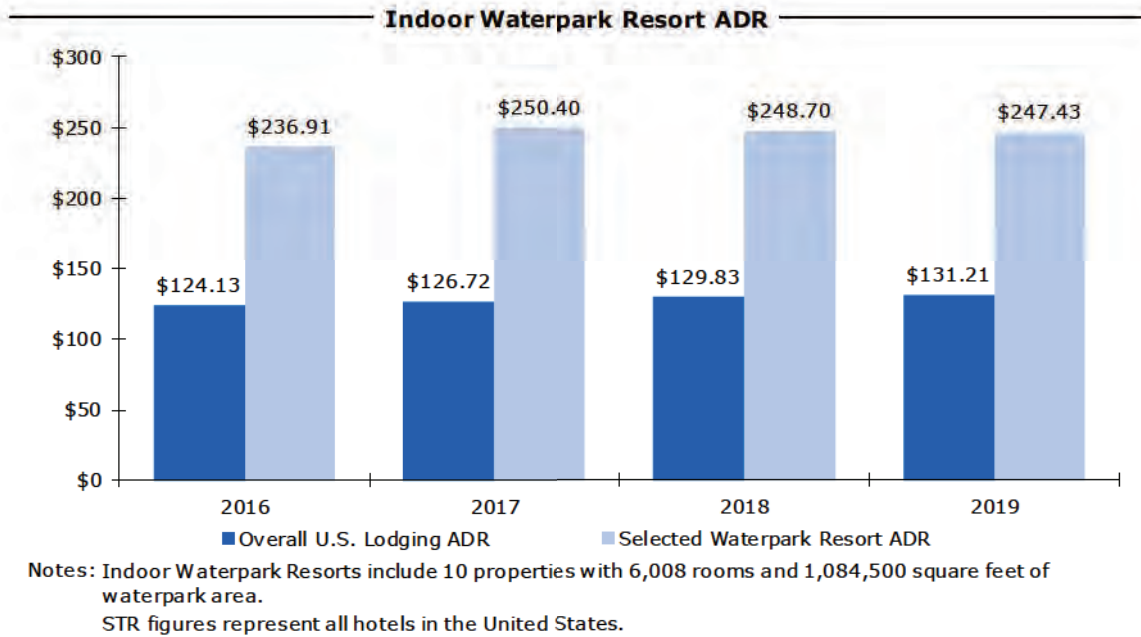
Indoor Waterpark Resort Occupancy



Notes: Indoor Waterpark Resorts include 10 properties with 6,008 rooms and 1,084,500 square feet of waterpark area.

STR figures represent all hotels in the United States.

Source: Hotel & Leisure Advisors and STR



Source: Hotel & Leisure Advisors and STR

From 2016 to 2019, the selected indoor waterpark resorts have experienced year-over-year increases in occupancy while ADR rose between 2016 and 2017 then declined in 2018 and 2019. During that same period, U.S. lodging occupancy has grown more gradually as ADR made gains. Indoor waterpark resort occupancy levels were 10.2 points higher than U.S. lodging on average, while resort ADR was nearly double that of U.S. lodging, due to the inclusion of the indoor waterpark passes with the room rate.

Great Wolf Lodge Resorts: We analyzed the historic 2016-2020 performance figures from the Great Wolf Lodge chain and a subset of its properties. The Great Wolf Lodges in Grapevine, Texas; Williamsburg, Virginia; Poconos, Pennsylvania; and Concord, North Carolina are Generation II resorts, which feature hotels of at least 400 rooms.

Great Wolf Resorts Operating Statistics for 2016 - 2020

				Trailing 12 Months October 2019	Trailing 12 Months September 2020
Subset of Four Generation II Resorts	2016	2017	2018		
Occupancy	73.9%	76.3%	79.9%	81.5%	51.1%
ADR	\$296.27	\$292.50	\$285.96	\$288.08	\$272.20
RevPAR	\$219.07	\$223.18	\$228.43	\$234.67	\$139.10
				Trailing 12 Months October 2019	Trailing 12 Months September 2020
Great Wolf Lodge Total Portfolio of Owned Properties	2016	2017	2018		
Keys	3,896	4,112	5,007	5,345	5,345
Occupancy	67.8%	72.8%	73.8%	76.9%	50.1%
ADR	\$267.50	\$264.48	\$255.45	\$254.53	\$223.69
RevPAR	\$181.32	\$192.53	\$188.49	\$195.71	\$111.96
RevPOR	\$411.69	\$411.43	\$405.65	\$408.38	\$363.76

Notes: ADR includes waterpark admission

RevPAR - Rooms Revenue per Available Room; RevPOR - Total Revenue per Occupied Room

Included Generation II Resorts: Grapevine, TX; Poconos, PA; Concord, NC; Williamsburg, VA

Source: Great Wolf Trust

The total portfolio includes smaller Generation I resorts, which generally achieved lower ADR levels than the larger Generation II resorts. Occupancy for the total portfolio and the four Generation II properties saw gains each year through 2019. RevPAR recorded a slight decrease in 2018 after years of continued growth for the entire portfolio. ADR increased through 2015 but experienced modest declines between 2016 and 2018 for both groupings. Following a strong performance in 2019, occupancy and revenue decreased significantly due to the COVID-19 pandemic. The increase in keys for the total portfolio is attributable to the opening in 2017 of the Great Wolf Lodge Illinois; and in 2018 of the Great Wolf Lodge Minnesota.

Challenged Indoor Waterparks: Recent indoor waterpark resort failures illustrate the challenge of successfully operating such properties:

- The 11,000-square-foot Wasserbahn Waterpark Resort in Williamsburg, Iowa permanently closed in 2022 after years of operational challenges. Since its opening in 2004, the property has changed ownership and branding multiple times. The waterpark was shut down between 2013 and 2014 by the Iowa Department of Public Health citing water quality and hygiene issues.
- The 340-room Caribbean Cove Waterpark Resort in Indianapolis, Indiana closed in 2017. The property was originally a Holiday Inn that added a 35,000-square-foot indoor waterpark, but subsequently changed franchise affiliations to other brands including Rodeway Inn. Drury Inns purchased the property for \$4.7 million in January 2018 and demolished the buildings to develop a new hotel.
- In Newark, Ohio, the 200-room Cherry Valley Lodge and 26,000-square-foot CoCo Key Water Resort sold after a long period of poor performance. In response to low attendance, the waterpark closed in November 2017. From 2014 through 2016, the hotel's average occupancy was just 31%.

- The 26,000-square-foot CoCo Key Water Resort in Waterbury, Connecticut closed in 2016 after eight years of operation. The 282-room property sold at auction for \$5.2 million, and the buyers demolished the structure with plans to redevelop the site.

These examples of poorly performing, smaller indoor waterpark resorts indicate that competent management and a program of capital reinvestment are critical for success.

Waterpark Attendance

In order to show the general popularity of all types of waterparks across the United States, we have profiled the statistics concerning attendance at the top U.S. outdoor waterparks as reported in the *TEA Theme Index, Global Attractions Attendance Report*. Due to closures and reduced attendance caused by COVID-19 in 2020, 2019 and 2018 are also presented to show pre-pandemic attendance levels. The industry experienced significant improvement in 2021 and is poised for a full recovery in the coming seasons.

Top 20 US Waterparks by Annual Attendance							
Rank	Park	Location	2020 Attendance	% Change over 2019	2019 Attendance	% Change over 2018	2018 Attendance
1	Typhoon Lagoon at Walt Disney World	Orlando, FL	-	-	2,248,000	-1.0%	2,271,000
2	Blizzard Beach at Walt Disney World	Orlando, FL	316,000	-84.1%	1,983,000	-1.0%	2,003,000
3	Universal's Volcano Bay	Orlando, FL	574,000	-68.3%	1,811,000	5.0%	1,725,000
4	Aquatica Orlando	Orlando, FL	528,000	-65.6%	1,533,000	-1.5%	1,556,000
5	Schlitterbahn New Braunfels	New Braunfels, TX	451,000	-54.7%	996,000	-2.0%	1,016,000
6	Water Country USA	Williamsburg, VA	-	-	736,000	1.0%	729,000
7	Adventure Island	Tampa, FL	125,000	-80.9%	656,000	-1.9%	669,000
8	Aquatica San Antonio	San Antonio, TX	263,000	-59.6%	651,000	0.9%	645,000
9	Schlitterbahn Galveston	Galveston, TX	337,000	-40.6%	567,000	1.4%	559,000
10	Spish Splash	Calverton, NY	-	-	542,000	0.6%	539,000
11	Six Flags Hurricane Harbor Arlington	Arlington, TX	235,000	-56.3%	538,000	0.9%	533,000
12	Six Flags White Water Atlanta	Marietta, GA	238,000	-54.8%	526,000	-0.9%	531,000
13	Six Flags Hurricane Harbor	Jackson, NJ	85,000	-82.4%	482,000	1.5%	475,000
14	Typhoon Texas	Katy, TX	203,000	-57.5%	478,000	6.0%	451,000
15	Six Flags Hurricane Harbor Splashtown	Spring, TX	-	-	475,000	0.0%	475,000
16	Zoombezi Bay	Powell, OH	176,000	-62.2%	466,000	6.4%	438,000
17	Six Flags Hurricane Harbor Phoenix	Glendale, AZ	-	-	441,000	-2.0%	450,000
18	Camelbeach	Tannersville, PA	151,000	-65.6%	439,000	0.5%	437,000
19	Dollywood's Splash Country	Pigeon Forge, TN	188,000	-56.6%	433,000	-0.9%	437,000
20	Cedar Point Shores	Sandusky, OH	-	-	424,000	1.0%	420,000

Source: TEA Theme Index, Global Attractions Attendance Report 2019 (released 2020) and 2020 (released 2021)

Conclusion: These trends reflect positively on indoor waterpark resorts because they indicate that people are looking for enjoyable activities for children during shorter durations. An indoor waterpark may allow a property to achieve substantially higher occupancy and ADR than properties without this component.

WASHINGTON DC LODGING OVERVIEW

We analyzed the Washington DC lodging market as it represents the largest metropolitan market closest to Page County. In the Washington DC area, occupancy declined between 2017 and 2019 while ADR remained flat. There was a drastic decline in 2020 in both occupancy and ADR due to the COVID-19 pandemic. The 2021 figures indicate a strong improvement in demand and occupancy levels post-pandemic; however, they are still not up to pre-pandemic levels as of yet. The following table shows the Washington DC MSA

and state of Virginia historical lodging performance through 2021. The Washington DC MSA includes 722 hotels with 109,758 available guestrooms, according to STR.

Washington DC Regional Market Operating Performance						
Year	OCC	% Chg	ADR	% Chg	RevPAR	% Chg
2017	72.1%		\$159.68		\$115.13	
2018	71.3%	-1.1%	\$156.42	-2.0%	\$111.53	-3.1%
2019	70.6%	-1.0%	\$159.68	2.1%	\$112.73	1.1%
2020	36.6%	-48.2%	\$113.46	-28.9%	\$41.53	-63.2%
2021	48.1%	31.4%	\$120.29	6.0%	\$57.86	39.3%
State of Virginia Operating Performance						
2017	63.9%		\$110.05		\$70.32	
2018	64.3%	0.6%	\$110.86	0.7%	\$71.28	1.4%
2019	64.2%	-0.2%	\$112.77	1.7%	\$72.40	1.6%
2020	43.2%	-32.7%	\$89.25	-20.9%	\$38.56	-46.7%
2021	56.7%	31.3%	\$104.50	17.1%	\$59.25	53.7%

Source: STR

The Washington DC market attracts strong demand from commercial travelers, groups, SMERF (social, military, educational, religious, and fraternal) business, and leisure travelers. The State of Virginia overall did not experience as strong of occupancy and ADR as the Washington DC market prior to the pandemic; however, it was not as negatively impacted by pandemic. The occupancy of the state overall did not decline as substantially as the DC market in 2020 and remained above the DC market in 2021. While ADR in the state is historically lower than that of the DC market, the decline in ADR for the state overall as a percentage was not as sharp as that of Washington DC, and the recovery of the state overall has been stronger.

New Supply

Due to the rural nature of the Page County region, we examined properties that have opened within 50 miles of Luray, Virginia since 2017 as shown in the following table.

Recent and Under Construction Supply Additions

Within 50 miles of Luray, Virginia

Name of Establishment	City & State	Open Date	Rooms	Miles from Luray
SpringHill Suites Gainesville Haymarket	Gainesville, VA	Sep 2017	110	46.4
Hotel Madison	Harrisonburg, VA	May 2018	230	27.4
Autograph Collection The Draftsman, Charlottesville	Charlottesville, VA	May 2018	150	43.4
The Blackburn Inn	Staunton, VA	May 2018	49	48.9
Fairfield Inn & Suites Charlottesville Downtown University Area	Charlottesville, VA	Jul 2018	117	43.8
Home2 Suites by Hilton Charlottesville Downtown	Charlottesville, VA	Sep 2018	113	43.7
Fairfield Inn & Suites Staunton	Staunton, VA	Oct 2018	98	48.5
Tru by Hilton Staunton	Staunton, VA	Nov 2018	90	48.5
Hampton Inn & Suites Culpeper	Culpeper, VA	Apr 2019	98	29.0
TownePlace Suites Front Royal	Front Royal, VA	Aug 2019	84	25.4
Tru by Hilton Winchester	Winchester, VA	Oct 2019	90	42.0
Staybridge Suites Charlottesville Airport	Charlottesville, VA	Oct 2019	103	36.6
Quirk Hotel Charlottesville	Charlottesville, VA	Mar 2020	80	43.5
SpringHill Suites Winchester	Winchester, VA	Jun 2020	96	42.5
Tru by Hilton Harrisonburg	Harrisonburg, VA	Sep 2020	82	30.4
Comfort Inn & Suites Winchester	Winchester, VA	Oct 2020	83	34.5
Avid Staunton	Staunton, VA	Nov 2020	92	48.5
Comfort Inn & Suites Harrisonburg	Harrisonburg, VA	Feb 2021	79	27.0
Holiday Inn Express Harrisonburg - University Area	Harrisonburg, VA	Sep 2021	90	26.8
Hyatt Place Harrisonburg	Harrisonburg, VA	Dec 2021	119	26.8
Holiday Inn Express Charlottesville	Charlottesville, VA	Jan 2022	125	43.2
Hilton Garden Inn Haymarket	Haymarket, VA	U/C	117	45.1
Comfort Inn Charlottesville	Charlottesville, VA	U/C	81	36.6

Source: STR

Most of the new construction is concentrated in the Charlottesville, Staunton, Harrisonburg, and Winchester areas. No new hotels have opened or are under construction within 25 miles of Page County.

COMPETITIVE LODGING MARKET OVERVIEW

We analyzed the supply and demand factors for the subject's competitive market. The subject is projected to open in 2025. Both supply and demand conditions are likely to change beyond our analysis period; therefore, projecting market conditions further into the future becomes highly speculative. The projections are for calendar years. Our projections analyze currently known supply and demand changes in the market and forecast a stabilized level of performance for both the market and the subject property. We have selected a group of resorts and hotels in the region surrounding Page County that participate with STR. We considered and interviewed the Massanutten Resort, as well as the Skyland Lodge and Big Meadows Lodge, both in the Shenandoah National Park. These properties are not included in the competitive set as they do not participate with STR. The Massanutten Resort is a timeshare resort while the Shenandoah National Park lodges are seasonal resorts.

Existing Competitive Supply: We identified a competitive hotel supply with a total of 2,294 guestrooms in seven existing lodging facilities. We analyzed the competitiveness of each hotel selected for the competitive set. In our opinion, each of the hotels is to some degree competitive with the proposed subject, and we utilized 100% of the available guestrooms in our analysis. In determining the competitive supply, we considered the proposed subject's segmentation and sources of business. The subject will be a year-round leisure-oriented resort property, which currently does not exist on the Page County market. The following tables list pertinent information about each of the competitive properties.

Proposed Destination Resort - Luray, Virginia Market Analysis

C-29

Survey of Competitors									
Hotel #	Property	Location	# of Rooms	Opened	Pools/ Waterpark	# of Food and Beverage Outlets	Meeting Space SF	Resort Fees	Published Rooms Rates
1	Salamander Resort & Spa	Middleburg, VA	168	Sep-13	Indoor & Outdoor Pools	4	16,256	\$39.00	\$395-\$1,200
2	Lansdowne Resort and Spa	Leesburg, VA	296	Mar-91	Indoor & Outdoor Pools	7	41,584	\$32.00	\$149-\$1,500
3	Hyatt Regency Chesapeake Bay	Cambridge, MD	400	Aug-02	Indoor & Outdoor Pools	6	38,534	\$37.00	\$302-\$699
4	Great Wolf Lodge Williamsburg	Williamsburg, VA	405	Mar-05	Waterpark	5	10,734	\$29.99	\$199-\$909
5	The Hotel Roanoke & Conference Center	Roanoke, VA	329	1882	Outdoor	4	63,670	None	\$222-\$911
6	Omni The Homestead Resort	Hot Springs, VA	483	Mar-1902	Indoor, Outdoor and Waterpark	7	60,501	\$39.00	\$394-\$1,189
7	Stonewall Resort	Roanoke, WV	213	Oct-02	Indoor & Outdoor Pools	4	12,754	\$15 - \$30	\$179-\$529
Total			2,294						

Source: Hotel & Leisure Advisors

Competitive Supply Performance Indicators									
Hotel #	Property	2019 Market Segmentation				2019 Estimated Performance			
		Commercial	Group	Leisure	Occupancy	ADR	RevPAR	Penetration Rate	Overall
1	Salamander Resort & Spa	0%	50%	50%	70 - 80%	\$300 - \$325	\$225 - \$250		113%
2	Lansdowne Resort and Spa	10%	60%	30%	70 - 80%	\$175 - \$200	\$125 - \$150		109%
3	Hyatt Regency Chesapeake Bay	10%	50%	40%	50 - 60%	\$175 - \$200	\$100 - \$125		80%
4	Great Wolf Lodge Williamsburg	0%	12%	88%	80 - 90%	\$250 - \$275	\$225 - \$250		130%
5	The Hotel Roanoke & Conference Center	50%	30%	20%	70 - 80%	\$150 - \$175	\$100 - \$125		121%
6	Omni The Homestead Resort	0%	35%	65%	40 - 50%	\$225 - \$250	\$100 - \$125		73%
7	Stonewall Resort	0%	30%	70%	50 - 60%	\$150 - \$175	\$75 - \$100		87%
Average		12%	35%	54%	65%	\$220.53	\$144.01		

Source: Hotel & Leisure Advisors

Competitive Property #1



Salamander Resort & Spa			
Location	Middleburg, VA	Pools/ Waterpark	Indoor & Outdoor Pools
# of Rooms	168	# of Food and Beverage Outlets	4
Opened	Sep-13	Meeting Space SF	16,256
Resort Fees	\$39.00	Published Rooms Rates	\$395-\$1,200
2019 Estimated Performance			
Occupancy	70 - 80%	Market Segmentation	
ADR	\$300 - \$325	Commercial	0%
RevPAR	\$225 - \$250	Group	50%
Overall Penetration Rate	113%	Leisure	50%

Source: Hotel & Leisure Advisors

The 168-room Salamander Resort & Spa is set on 340 acres in the foothills of the Blue Ridge Mountains and is 23 miles from Washington Dulles International Airport. The resort has been awarded a 5-star property by Forbes and features 168 luxurious rooms (including 17 suites), a luxury spa, full-service equestrian center, Virginia Piedmont-inspired dining, hiking trails, a dedicated cooking studio, wine bar, billiards room, and conference and banquet facilities. Management indicated the resort is busiest in the summer. They host mostly groups during the week and more leisure and transient visitors on the weekends. The property charges a resort fee of \$39 per night for use of many of the resort amenities, including Wi-Fi. Amenities such as the spa and equestrian center are an additional fee.

Competitive Property #2



Lansdowne Resort and Spa			
Location	Leesburg, VA	Pools/ Waterpark	Indoor & Outdoor Pools
# of Rooms	296	# of Food and Beverage Outlets	7
Opened	Mar-91	Meeting Space SF	41,584
Resort Fees	\$32.00	Published Rooms Rates	\$149-\$1,500
2019 Estimated Performance			
Occupancy	70 - 80%	Market Segmentation	
ADR	\$175 - \$200	Commercial	10%
RevPAR	\$125 - \$150	Group	60%
Overall Penetration Rate	109%	Leisure	30%

Source: Hotel & Leisure Advisors

The 296-room Lansdowne Resort and Spa is on 476 acres that overlook the Potomac River in Virginia's wine country. The resort is an AAA Four Diamond award-winning luxury resort near Washington DC, and offers varied experiences for groups, conferences, weddings, or romantic getaways. The resort offers 14 suites with golf course views. Amenities include over 40,000 square feet of meeting space, 12,000-square-foot spa, four outdoor pools, driving range, fitness center, and 45 holes of championship golf. The hotel recently completed a renovation of the guestrooms and banquet areas. The resort charges a resort fee of \$32 per night for services such as Wi-Fi, use of driving range, use of fitness club, and other amenities.

Competitive Property #3



Hyatt Regency Chesapeake Bay			
Location	Cambridge, MD	Pools/ Waterpark	Indoor & Outdoor Pools
# of Rooms	400	# of Food and Beverage Outlets	6
Opened	Aug-02	Meeting Space SF	38,534
Resort Fees	\$37.00	Published Rooms Rates	\$302-\$699
2019 Estimated Performance			
Occupancy	50 - 60%	Market Segmentation	
ADR	\$175 - \$200	Commercial	10%
RevPAR	\$100 - \$125	Group	50%
Overall Penetration Rate	80%	Leisure	40%

Source: Hotel & Leisure Advisors

The 400-room Hyatt Regency Chesapeake Bay is on 342-acres of waterfront property along the Chesapeake Bay. The facility includes an 18-hole golf course, 150-slip River Marsh Marina, and full-service Sago Spa & Salon. The property features the Wintergarden atrium that houses an indoor pool and hot tub and provides nightly dive-in movies. The property also offers an outdoor infinity pool, as well as an activity pool with a waterslide and an adults-only hot tub overlooking the beach and Choptank River. The property also includes facilities and equipment for tennis, basketball, beach volleyball, Frisbee golf, miniature golf, and horseshoes plus trails for walking and jogging. The resort charges a resort fee of \$37 per night.

Competitive Property #4



Great Wolf Lodge Williamsburg			
Location	Williamsburg, VA	Pools/ Waterpark	Waterpark
# of Rooms	405	# of Food and Beverage Outlets	5
Opened	Mar-05	Meeting Space SF	10,734
Resort Fees	\$29.99	Published Rooms Rates	\$199-\$909
2019 Estimated Performance			
Occupancy	80 - 90%	Market Segmentation	
ADR	\$250 - \$275	Commercial	0%
RevPAR	\$225 - \$250	Group	12%
Overall Penetration Rate	130%	Leisure	88%

Source: Hotel & Leisure Advisors

The 405-room Great Wolf Lodge Williamsburg is southeast of Page County off Interstate 64 near Colonial Williamsburg, Busch Gardens, and other attractions. The resort boasts a 67,000-square-foot indoor waterpark, bowling alley, arcade, ropes course, fitness center, several retail outlets, and multiple dining options. The nightly room rate includes passes to the waterpark. Occupancy declined in 2020 due to the COVID-19 pandemic but has come back strong in 2021. This property, and all Great Wolf Lodges, closed their spas in the past year. The property charges a \$29.99 resort fee for additional services such as wireless internet and family activities. This property achieved the strongest occupancy and RevPAR of the competitive set.

Competitive Property #5



The Hotel Roanoke & Conference Center

Location	Roanoke, VA	Pools/ Waterpark	Outdoor
# of Rooms	329	# of Food and Beverage Outlets	4
Opened	1882	Meeting Space SF	63,670
Resort Fees	None	Published Rooms Rates	\$222-\$911

2019 Estimated Performance

Occupancy	70 - 80%	Market Segmentation	
ADR	\$150 - \$175	Commercial	50%
RevPAR	\$100 - \$125	Group	30%
Overall Penetration Rate	121%	Leisure	20%

Source: Hotel & Leisure Advisors

The 329-room The Hotel Roanoke & Conference Center, Curio Collection by Hilton is in downtown Roanoke, Virginia. The property opened in 1882 with 34 rooms. In 1989, the property was donated to Virginia Tech University. In 1995, after a major renovation and the addition of a conference center, the property reopened as a hotel that is listed on the National Register of Historic Places. The property completed a \$3.6 million renovation in 2020. The renovation converted a lobby seating area into the 40-seat 1882 Lobby Bar. Additionally, The Pine Room was expanded to feature an open kitchen serving locally sourced food and outdoor seating overlooking the city. Other F&B options include the Regency Room and the grab and go STEAM Coffee+Eatery. Management stated that during the pandemic its conference center group activity was down 80%. Other services and amenities at the hotel include an outdoor pool, fitness center, 63,670 square feet of meeting space, business center, and the Salt Foot Sanctuary spa. The property also has an enclosed walkway that connects the property to the Taubman Museum of Art. While the property does not charge a resort fee, it does charge \$15 and \$21 for self- and valet-parking respectively.

Competitive Property #6



Omni The Homestead Resort

Location	Hot Springs, VA	Pools/ Waterpark	Indoor, Outdoor and Waterpark
# of Rooms	483	# of Food and Beverage Outlets	7
Opened	Mar-1902	Meeting Space SF	60,501
Resort Fees	\$39.00	Published Rooms Rates	\$394-\$1,189
2019 Estimated Performance			
Occupancy	40 - 50%	Market Segmentation	
ADR	\$225 - \$250	Commercial	0%
RevPAR	\$100 - \$125	Group	35%
Overall Penetration Rate	73%	Leisure	65%

Source: Hotel & Leisure Advisors

The 483-room Omni The Homestead Resort can trace its roots back to 1766 when it was constructed as an 18 room wooden hotel named for the homesteaders that had moved to the region and constructed the building. The property was nearly destroyed in 1901 by fire. Within a year of the fire, investors built the Great Hall and reopened The Homestead. Within two years the West Wing was added. In 1923, the Empire, Crystal, Garden rooms, and Theatre were added, and in 1929 the property's iconic tower was finished. The last hotel expansion was the Garden Wing in 1973. In 2001, a new Grand Ballroom and outdoor pool was unveiled along with snowmaking equipment for the ski area and a Shooting Club House and Pavilion. In 2012, the Allegheny Springs, a two-acre waterpark area was added along with a miniature golf course, a spa, and Jefferson's Restaurant and Bar. The property became an Omni Hotel in 2013 and includes over 2,300 acres. Additional activities at the resort include archery, guided Cascades Gorge hiking, falconry, kayaking, tennis, tomahawk throwing, fishing, skiing, snow tubing, ice skating, two 18-hole golf courses, and numerous seasonally planned events. The property's \$39 resort fee includes the southern social hour, nightly movies, shuttles to all resort recreational activities, access to the fitness center, tennis courts, indoor pool, and the Allegheny Springs waterpark.

Competitive Property #7



Stonewall Resort			
Location	Roanoke, WV	Pools/ Waterpark	Indoor & Outdoor Pools
# of Rooms	213	# of Food and Beverage Outlets	4
Opened	Oct-02	Meeting Space SF	12,754
Resort Fees	\$15 - \$30	Published Rooms Rates	\$179-\$529
2019 Estimated Performance			
Occupancy	50 - 60%	Market Segmentation	
ADR	\$150 - \$175	Commercial	0%
RevPAR	\$75 - \$100	Group	30%
Overall Penetration Rate	87%	Leisure	70%

Source: Hotel & Leisure Advisors

The 213-room Stonewall Resort is west of Page County in West Virginia. Stonewall Resort State Park was a project of the US Army Corp of Engineers who purchased the property to construct a flood control dam. A portion of the lake covered the former site of Roanoke, West Virginia. The park is over 1,900 acres. The resort was developed as a public/private partnership that opened in 2002. The property features indoor and outdoor pools and hot tubs, patio fire pit, Mountain Laurel Spa, an Arnold Palmer Signature Golf Course, 12,754 square feet of meeting space, and multiple dining options. As part of the overall park, guests have access to 26-miles of lake shoreline and numerous hiking and biking trails. The property has three different overnight options, the Lakeside Lodge, Lakeside Cottages, and Lake House Collection. The lodge represents a traditional style hotel rooms and suites. The cottages are 2-, 3-, and 4-bedroom units each with a fully equipped kitchen, washer/dryer, gas fireplace, and a deck with a gas grill. The Lake House Collection are 3- and 4-bedroom units with between 2,000 and 2,650 square feet of living space. The property's resort fee varies with the accommodation. It is \$15 per room at the lodge, \$20 for a 2-bedroom cottage, \$25 for a 3-bedroom cottage, and \$30 for a 4-bedroom cottage or lake house. West Virginia residents enjoy a 10% discount on room rates.

Historical Lodging Demand: The following table provides occupancy, ADR, and RevPAR for the defined competitive set for the past eight years based upon information obtained from STR.

Competitors' Operating Performance										
Proposed Destination Resort - Page County										
Year	Annual Supply	% Change	Demand	% Change	Occupancy	% Change	ADR	% Change	RevPAR	% Change
2014	834,025		523,062		62.7%		\$201.39		\$126.30	
2015	834,025	0.0%	531,898	1.7%	63.8%	1.7%	\$208.66	3.6%	\$133.07	5.4%
2016	833,719	0.0%	539,714	1.5%	64.7%	1.5%	\$212.81	2.0%	\$137.77	3.5%
2017	833,691	0.0%	532,192	-1.4%	63.8%	-1.4%	\$215.90	1.5%	\$137.82	0.0%
2018	834,025	0.0%	538,083	1.1%	64.5%	1.1%	\$216.90	0.5%	\$139.94	1.5%
2019	834,239	0.0%	544,768	1.2%	65.3%	1.2%	\$220.54	1.7%	\$144.01	2.9%
2020	701,773	-15.9%	237,397	-56.4%	33.8%	-48.2%	\$212.92	-3.5%	\$72.03	-50.0%
2021	836,798	19.2%	403,740	70.1%	48.2%	42.6%	\$290.61	36.5%	\$140.21	94.7%
Average	817,787	0.5%	481,357	2.5%	58.4%	-0.2%	\$222.47	6.0%	\$128.89	8.3%

Source: STR and Hotel & Leisure Advisors

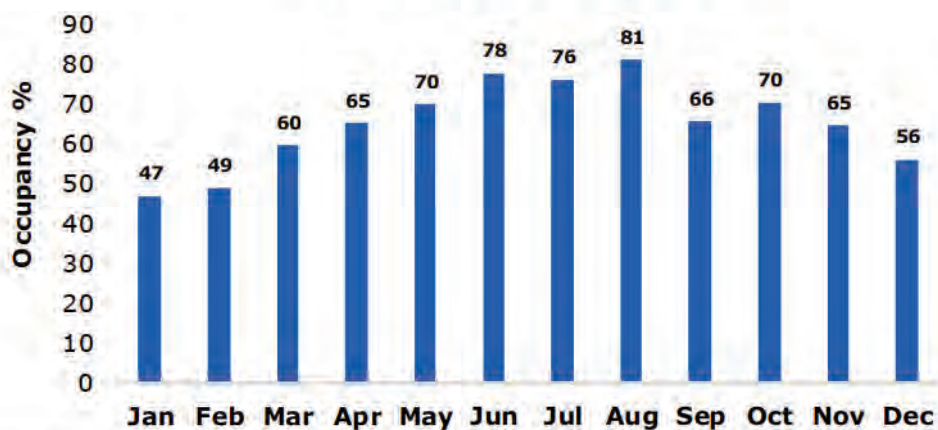
- In 2020 there was a reduction in supply of guestrooms due to the impact of the COVID-19 pandemic. Only the Lansdowne Resort and Spa and The Hotel Roanoke & Conference Center remained open all year in 2020. The other comparables closed their doors as follows:
 - Salamander Resort & Spa closed for April and May
 - Hyatt Regency Chesapeake Bay closed for April and May
 - Great Wolf Lodge Williamsburg closed from April through August
 - Omni The Homestead Resort closed for April and May
 - Stonewall Resort closed for April

We estimate that these closures resulted in the loss of over 135,700 available rooms in 2020.

- Overall demand had been increasing from 2014 through 2019 only to experience the sharp decline in 2020 due to the pandemic. While 2021 saw a large increase in demand, it remained behind 2014 levels for the competitive set.
- The ADR of the competitive set had been experiencing year over year increases from 2014 through 2019. While ADR dropped slightly in 2020, it has seen a tremendous increase in 2021 of 36.5% over 2020 and 31.8% over 2019, the last full year of operation prior to the pandemic. This increase began in 2020. From September through December, when all hotels were back in operation, ADR was up 14.6% over the same period in 2019.
- During the eight year period, RevPAR experienced an average yearly increase of 8.3%, and 2021 is only slightly behind 2019.

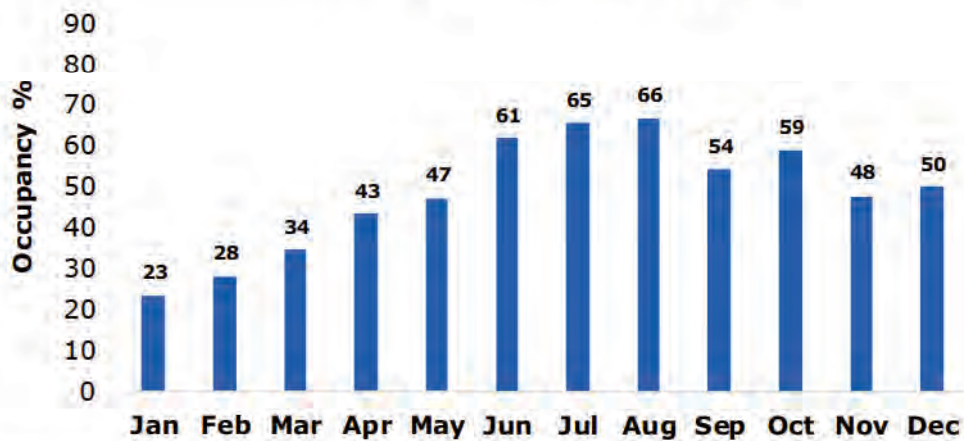
We analyzed the seasonality of the competitive set, including the performance by day. The following graphs indicate the performance as shown in the STR report for 2019 (pre-pandemic) and 2021.

Monthly Occupancy 2019

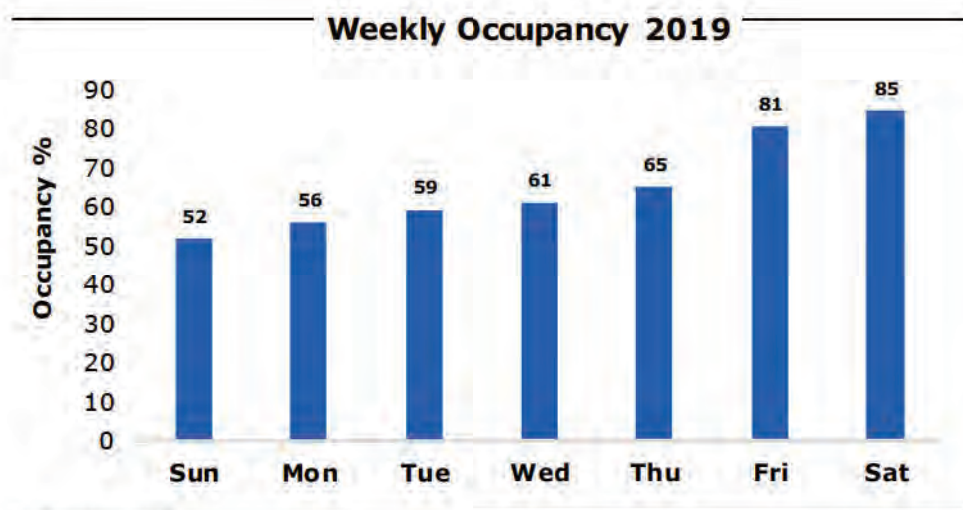


Source: STR

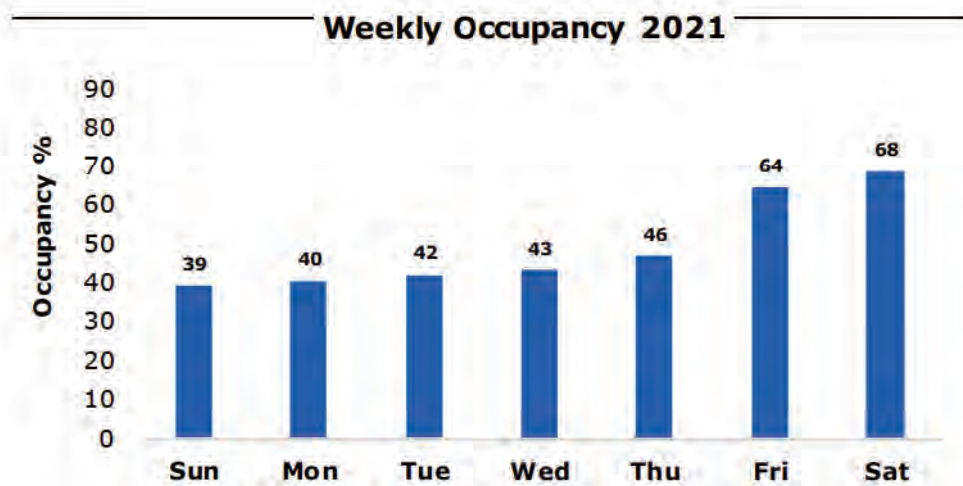
Monthly Occupancy 2021



Source: STR

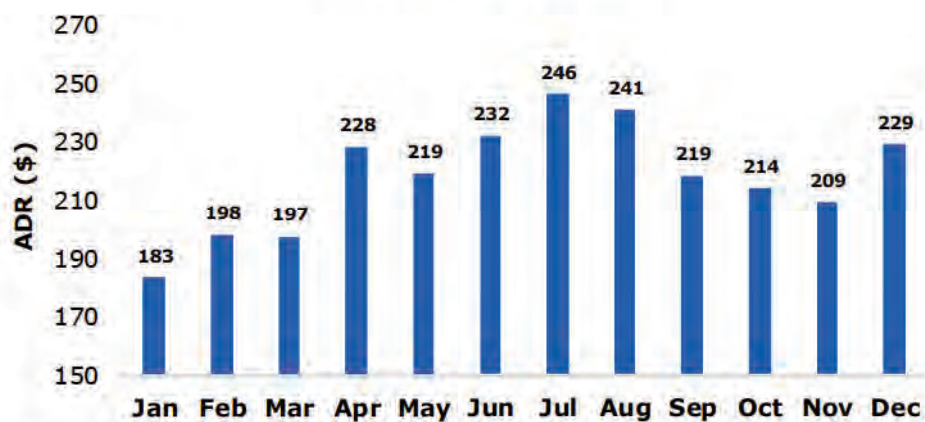


Source: STR



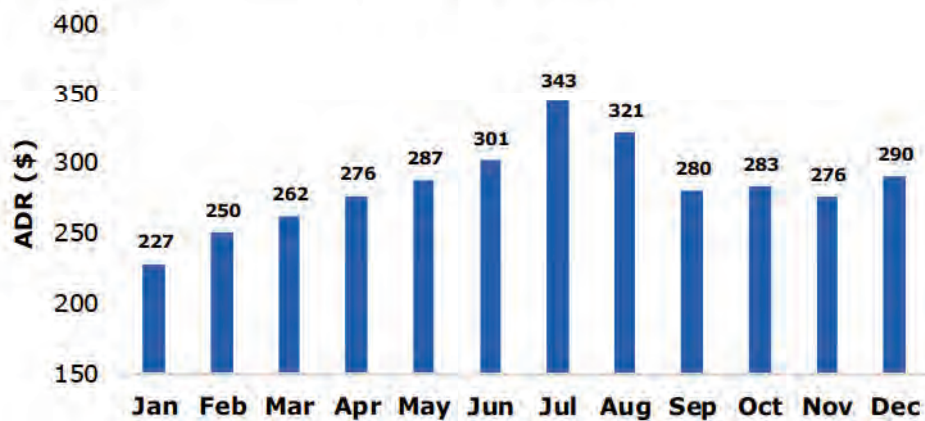
Source: STR

Monthly ADR 2019

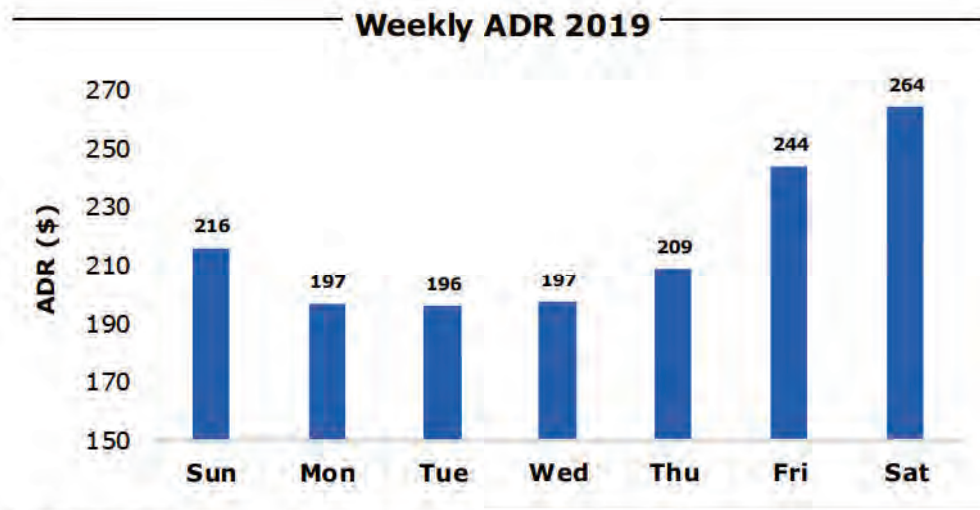


Source: STR

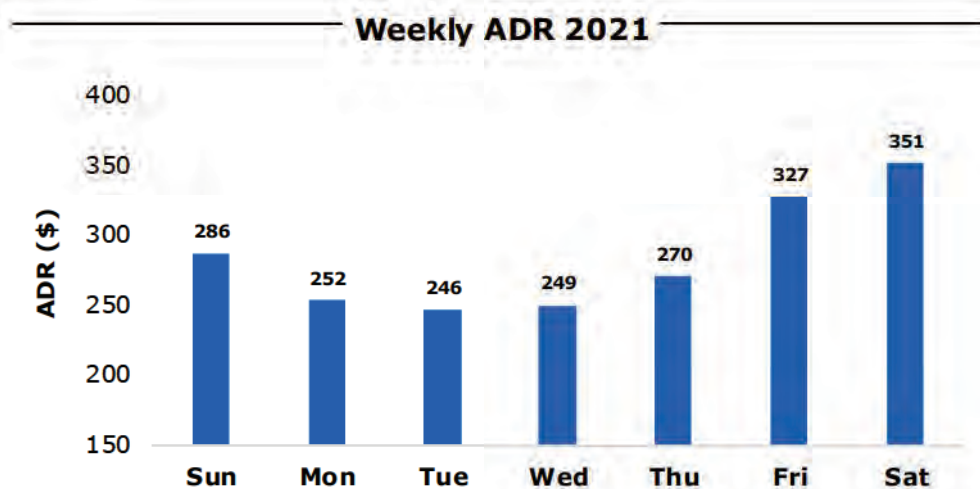
Monthly ADR 2021



Source: STR



Source: STR



Source: STR

The competitive set of properties achieved its highest occupancy levels on Fridays and Saturdays in 2019 and this trend returned in 2021. In both instances, the weakest occupancy level is on Sundays. The overall occupancy tendency that existed in 2019 returned in 2021 but at lower demand level for each month and each day of the week. Between the two comparable years, however, ADR has substantially increased. In 2021, the weakest month, January, was \$44 higher than 2019 and the strongest month, July, was nearly \$100 higher per night in 2021 than 2019. Except for January, the ADR of every month in 2021 was greater than the best month in 2019.

Proposed Hotel Development: Discussions with local municipal officials, real estate brokers, and hotel operators, and a review of published data revealed no proposals for resorts in the Page County area.

The following table indicates the proposed increase in supply that we incorporated into our analysis. We included only the proposed subject and the under construction Great Wolf Lodge Maryland as the Showboat is an existing hotel in a gambling-oriented market, and therefore not considered to be competitive with the subject. We have also excluded the Kalahari Resort as it is still seeking financing and needs zoning and community approvals.

	Additions to Supply					
	Forecasted (Calendar Year)					
	2022	2023	2024	2025	2026	2027
Historical Existing Rooms	2,294	2,294	2,294	2,294	2,294	2,294
Proposed Destination Resort - Page County	-	-	-	300	300	300
Great Wolf Lodge Maryland	-	250	700	700	700	700
Total New Rooms	0	250	700	1,000	1,000	1,000
Total Supply	2,294	2,544	2,994	3,294	3,294	3,294
Total Rooms Nights Available	837,310	928,560	1,092,810	1,202,310	1,202,310	1,202,310
Percent Change	0	10.9%	17.7%	10.0%	0.0%	0.0%

Source: Hotel & Leisure Advisors

Area Demand Analysis

Estimates of demand for lodging facilities within the market area included analysis of the following factors.

1. Identification of the appropriate demand segments for the competitive set
2. The characteristics of each demand segment, including the need for quality lodging accommodations
3. The overall contribution of room nights generated by each demand segment, as well as the growth potential of each demand segment
4. The strength and attractiveness of the market area's business environment with regard to the economy, educated labor force, leisure attractions, and quality of life
5. Historical and anticipated trends in employment distribution and growth
6. Interviews with representatives of competitive hotels and various hotel chains to determine performance of area hotels and proposed new supply additions
7. Interviews with representatives of convention and visitors bureau, chamber of commerce, city officials, county officials, economic development officials, and others

A thorough analysis of key economic and demographic indicators, annual historical growth by demand segment for the competitive market, and the anticipated impact of future development on lodging demand allow us to estimate future lodging demand generated by the primary demand segments. We analyzed induced demand separately.

Market Demand Segmentation: The market for transient accommodations relates to a wide range of travelers within a market area. For the purposes of the demand analysis,

we subdivided the overall market into segments based on the type or nature of travel. The following table indicates the segments that exist in the competitive set of hotels.

Total Accommodated Demand Output		
	2019 Room Nights	Segment Percent
Commercial	62,696	11%
Group	192,921	35%
Leisure	291,166	53%
Total Accommodated Demand Output	546,783	
Market Occupancy	65.3%	
Market ADR	\$220.53	

Source: Hotel & Leisure Advisors

The previous table indicates our estimates of total accommodated demand utilizing our hotel supply and demand model. We obtained individual occupancy, ADR, and market mix figures from the competitors to determine the historical performance figures. Note that in 2021 occupancy was only 48.2% but ADR was \$290.61 for the competitive set according to STR.

Our historical performance figures may differ from those presented on Page C-38, which presents data directly from the STR report. The slight differences are due to differences in accounting for out-of-order rooms, complimentary rooms, etc.

Commercial Demand consists of general transient overnight travel created by businesses and governmental institutions in the area. The business traveler tends to be less price-sensitive than the leisure traveler and is more likely to utilize a hotel's food and beverage facilities. Commercial demand is typically strongest on Sunday through Thursday nights. This demand segment consists of people visiting area companies, transportation workers, government-related travelers, and those travelers who are relocating to the area.

Within the competitive set most of the transient commercial demand is accommodated by the Hotel Roanoke due to its urban location. Within Page County much of the demand would come from Emco Enterprises, Masonite Corporation, Page Memorial Hospital, and commercial vendors servicing the Shenandoah National Park, its lodges, and area motels and inns.

The commercial segment equaled approximately 11% of room night demand in 2019 as most of the competitive set does not focus on commercial demand.

Group Demand includes those who book a minimum of 10 occupied rooms on a single night. Conventions, association and corporate meetings, training seminars, SMERF (social, military, educational, religious, and fraternal) groups, and sports teams booking in a room block all generate group demand. Groups typically utilize meeting space in the market's hotels as well as larger convention centers and event centers within the area.

Group demand in the competitive set is strongest at the Lansdowne Resort and Spa, largely due to its proximity to the Washington DC market and the size of its meeting space. The Omni The Homestead Resort and The Hotel Roanoke are second and third

respectively with their conference center meeting space. Other hotels within the market attract group demand utilizing their respective meeting spaces. The range of amenities available at each of the hotels make all the properties attractive destinations for meeting planners. The following table indicates the meeting spaces per available room of the competitive hotels.

Meeting Space to Rooms Ratio			
Property	Meeting Space SF	# Rooms	Meeting Space Per Available Room
Proposed Destination Resort - Page County	15,000	300	50.0
Salamander Resort & Spa	16,256	168	96.8
Lansdowne Resort and Spa	41,584	296	140.5
Hyatt Regency Chesapeake Bay	38,534	400	96.3
Great Wolf Lodge Williamsburg	10,734	405	26.5
The Hotel Roanoke & Conference Center, Curio Collection by Hilton	63,670	329	193.5
Omni The Homestead Resort	60,501	483	125.3
Stonewall Resort	12,754	213	59.9

Source: Hotel & Leisure Advisors

The group segment equaled approximately 35% of room night demand in 2019. We project an increase in group demand for the competitive set based upon historical trends in the group market as the pandemic subsides.

Leisure Demand consists of individuals and families visiting the area or passing through en route to other destinations. Leisure demand is strongest Friday and Saturday nights and during school holiday periods. Tourist lodging demand peaks during the summer when amusement parks and waterparks are open. Leisure demand in the subject's market is heavily influenced by the Shenandoah National Park which welcomed nearly 1.6 million visitors in 2021. While the leisure segment often is comprised of more rate-sensitive travelers, the segment is willing to pay higher rates during peak demand periods. The following table presents the primary leisure attractions in the area.

Major Tourist Attractions	
Subject Area	
Attraction	Location
Luray Caverns	Luray, VA
Car & Carriage Caravan Museum	Luray, VA
Luray Zoo - A Rescue Zoo	Luray, VA
Luray Valley Museum	Luray, VA
Shenandoah National Park	Northwest Virginia
Massanutten Resort & Waterpark	Massanutten, VA

Source: Hotel & Leisure Advisors

The leisure segment equaled approximately 53% of room night demand in 2019. Leisure demand in the market peaks during the summer when the resort properties achieve their strongest performance. The resort properties support strong leisure demand during weekends and school vacations, including Christmas and spring break. We project increases in demand in this segment of the existing competitive set. We project strong

additional growth from the opening of the subject, which we accounted for primarily in induced demand.

The following table indicates the historical growth achieved by each of the segments over the past two years and the consultant's long-term projection for the subject's market area.

Accommodated Demand Growth Rates									
	Historical		Forecasted						
	2020	2021	2022	2023	2024	2025	2026	2027	2028
Commercial	-51.0%	52.7%	20.0%	7.0%	3.0%	2.0%	1.0%	0.5%	0.0%
Group	-54.7%	59.6%	25.0%	14.0%	7.0%	4.0%	2.5%	2.0%	0.0%
Leisure	-59.0%	82.1%	25.0%	12.0%	5.0%	4.0%	2.8%	2.0%	0.0%
Weighted Average	-56.6%	70.0%	24.4%	12.2%	5.5%	3.8%	2.5%	1.9%	0.0%

Source: Hotel & Leisure Advisors

Induced Demand: Induced demand is the incremental demand stimulated by the introduction of new supply, in excess of demand changes caused by external economic conditions. In other words, the introduction of a new hotel in a market can increase demand due to additional supply on sold-out nights, or due to the specific facilities or marketing efforts of a property. We considered the influence of induced demand as it relates to the opening of the subject and the other room additions.

By analyzing the current number of fill nights, we estimated the induced demand that would be created by having additional hotel rooms in the market. We project that the market will receive a percentage of induced demand when the existing hotels currently fill, displacing demand to surrounding markets.

Historically, the area hotels report approximately 25-100 fill nights annually, primarily in the summer months when activity is strongest in the national park.

The resorts we analyzed indicate fill nights can range from 100 to 175 annually for better performing properties, primarily on weekends, school holidays and summer months. We projected induced demand from the opening of the new hotel rooms from 2023 through 2025 as shown in the following table.

	Induced Demand							
	Fill Days	# Rooms	Induced Demand	Total Induced Demand (Calendar Year)				
				2022	2023	2024	2025	2026
Proposed Destination Resort - Page County	150	300	45,000	-	-	-	45,000	-
Great Wolf Lodge Maryland	150	700	105,000	-	37,500	67,500	-	-
Total		1,000	150,000	0	37,500	67,500	45,000	0

Source: Hotel & Leisure Advisors

Induced Demand

Proposed Destination Resort - Page County Great Wolf Lodge Maryland		Segmentation by Property		
		Commercial	Group	Leisure
		0%	25%	75%
		0%	10%	90%
		Annual Demand by Segment		
	Commercial	Group	Leisure	Total
2022	0	0	0	0
2023	0	3,750	33,750	37,500
2024	0	6,750	60,750	67,500
2025	0	11,250	33,750	45,000
2026	0	0	0	0

Source: Hotel & Leisure Advisors

We project approximately 150 fill nights for the subject and the Great Wolf Lodge. We applied the majority of the induced demand to the leisure segment.

PROJECTED MARKET OCCUPANCY

The relationship between the estimated room night demand and guestroom supply provides a basis for forecasts of area-wide occupancy. We applied the growth rates and induced demand to the base year room night demand for each segment to arrive at a forecast of area-wide annual lodging demand. We then divided the projected room night demand by the projected annual supply (incorporating supply additions) to derive the area-wide occupancy levels. The following table displays the projected supply, demand, and occupancy levels.

Market Demand and Occupancy Analysis										
	Historical			Forecasted						
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Accommodated Demand										
Commercial	62,696	30,747	46,954	56,345	60,289	62,098	63,340	63,973	64,293	64,293
Group	192,921	87,317	139,336	174,170	198,554	212,453	220,951	226,475	231,005	231,005
Leisure	291,166	119,262	217,233	271,542	304,127	319,333	332,106	341,239	348,064	348,064
Total	546,783	237,325	403,524	502,057	562,970	593,884	616,397	631,687	643,362	643,362
Induced Demand										
Commercial	-	-	-	-	-	-	-	-	-	-
Group	-	-	-	-	3,750	10,500	21,750	21,750	21,750	21,750
Leisure	-	-	-	-	33,750	94,500	128,250	128,250	128,250	128,250
Total	-	-	-	-	37,500	105,000	150,000	150,000	150,000	150,000
Total Market Demand										
Commercial	62,696	30,747	46,954	56,345	60,289	62,098	63,340	63,973	64,293	64,293
Group	192,921	87,317	139,336	174,170	202,304	222,953	242,701	248,225	252,755	252,755
Leisure	291,166	119,262	217,233	271,542	337,877	413,833	460,356	469,489	476,314	476,314
Total Room Night Demand	546,783	237,325	403,524	502,057	600,470	698,884	766,397	781,687	793,362	793,362
Total Room Demand Growth		-56.6%	70.0%	24.4%	19.6%	16.4%	9.7%	2.0%	1.5%	0.0%
Total Room Nights Available	837,310	701,560	837,310	837,310	928,560	1,092,810	1,202,310	1,202,310	1,202,310	1,202,310
Total Room Supply Growth		-16.2%	19.3%	0.0%	10.9%	17.7%	10.0%	0.0%	0.0%	0.0%
Adjusted Market Occupancy	65.3%	33.8%	48.2%	60.0%	64.7%	64.0%	63.7%	65.0%	66.0%	66.0%

Source: Hotel & Leisure Advisors

- We project market occupancy to increase in 2022 and 2023 as the COVID-19 pandemic subsides.

- We project the introduction of the Great Wolf Lodge will mitigate the growth in market occupancy in 2023 and cause market occupancy to decline in 2024, while the introduction of the subject will negatively impact 2025.
- With the strong projected induced demand from the resort properties, we project overall occupancy to improve in future years to historical levels.

GROUP DEMAND RESEARCH

We researched conferences held at each hotel in the competitive set to determine group demand that exists and to show possible room rates the proposed waterpark resort may achieve through group business. We do not anticipate that the proposed would capture some of the other states' association demand, but Virginia has similar associations that may look at the proposed for their events. In addition, there are many events from the federal government and numerous companies in the Washington DC regional market that utilize different hotels for meetings. The room rates vary depending on the date of the event, size and scope of the property as well as its location. The resort properties in the competitive set achieve higher group room rates, due to their inclusion of a variety of recreational amenities including an indoor waterpark for one of the properties. As some of the events were held pre-pandemic, details associated with the meetings are unavailable.

Proposed Destination Resort - Luray, Virginia Market Analysis

C-49

Group Demand for Competitors of Proposed Destination Resort in Page County, Virginia

Resort	Group/Event	Event Month	Room Rates	Meeting Space Requirements	F & B Requirements
Salamander Resort & Spa	FMI State Issues Retreat	August	\$265		
	Virginia Asphalt Association Annual Meeting	April	\$340	General session rooms	Cocktail receptions, banquet dinner
	Food Industry Association State Issues Retreat	August	\$269		
	2018 ASAE Fellows Retreat	June	\$299	General session rooms	Reception, continental breakfast, lunch
	Southern Association of Workers Compensation Administrators Annual Convention	July	\$199	Meeting, breakout and keynote session space, exhibition space, ballroom	Continental breakfast, reception, lunch, dinner
	North American Millers Association Annual Meeting	September	\$220	Meeting rooms	Continental breakfast, reception, dinner
	Association of Military Banks of America	August	\$250	Keynote session and exhibit space	Breakfast and dinner
Lansdowne Resort & Spa	Food Industry Association State Issues Retreat	August	\$189		
	Virginia Academy of Family Physicians Annual Meeting and Exposition	July	\$185	Meeting rooms and exhibit space	Breakfast, lunch, dinner, BBQ
	Aspen Network of Development Entrepreneurs Annual Conference	September	\$255	Keynote and sessions space	Lunch, reception, dinner, breakfast
	Virginia Association of Community Banks Annual Convention and Trade Show	October	\$199	Keynote, sessions, and exhibit space	Breakfast, dinner
Hyatt Regency Chesapeake Bay	Mid-Atlantic Regional Archives Conference	November	\$189		
	American Association of Motor Vehicle Administrators' (AAMVA) Annual Region 1 Conference	May	\$118		
	Maryland Library Association & Delaware Library Association Joint Conference	May	\$185		
	Maryland School Counselor Association (MSCA) Annual Conference	March	\$129		
Great Wolf Lodge Williamsburg	National Association of Women in Construction (NAWIC) Annual Conference	October	\$139		
	Virginia Building & Code Officials Association Annual School and Conference	September	\$89	Keynote, sessions, and exhibit space	Breakfast, reception
	Meeting Planners International, Virginia Chapter Annual Conference	August	\$109	Keynote, sessions, and exhibit space	Lunch, reception, dinner, breakfast
The Hotel Roanoke & Conference Center	52nd Annual ASN Meeting	April	\$184	Ballroom, foyer, break-out rooms, outside courtyard	Daily lunches, refreshment breaks, cocktail receptions, gala dinner on final night.
	First Year Engineering Experience (FYEE) Conference	August	\$129	Ballroom, foyer, 4 breakout rooms	Daily lunches, refreshment breaks for @ 200 attendees
	2022 Conference on Violent Crime	March	\$122		
	Psychiatric Society of Virginia Annual Meeting	September	\$169	changed to hybrid format	cocktail reception, breakfast and lunch on day 2
	2019 Hydraulic Power Committee Fall Retreat	October/November	\$145		Cocktail reception, dinner, daily breakfasts, refreshment breaks, lunch
Omni The Homestead Resort	MSV 2022 Annual Meeting & Foundation Physicians' Gala	October	\$210		
	2021 American Eye Study Club (AESC) Annual Meeting	August	\$289		Dinner buffet, daily breakfast, ice cream social
	Virginia Association of Hematologists and Oncologists (VAHO) 2022 Leadership Day	September	\$239		
Stonewall Resort	Sustainable Trails Conference	March	\$99		
	WV Primary Care Association Leadership Retreat	June	\$254		
	Annual Convention of the West Virginia Society of Professional Surveyors	February	\$125		Daily lunch, cocktail receptions, banquet dinner
Average Rate			\$193		

Source: Hotel & Leisure Advisors

SWOT ANALYSIS OF SUBJECT

We assessed the projected competitive position of the subject property compared to the defined competitive lodging supply in the following SWOT analysis.

Strengths

- The subject's location within Page County, the entrance to the Shenandoah National Park, is an advantage because the complex will offer a destination that will appeal to the nearly 1.5 million tourists and groups that visit the park annually.
- The proposed resort complex is recommended to offer a wide range of amenities, including an indoor waterpark, arcade, retail shops, and other amenities. The indoor waterpark will appeal to families with children of a wide age range.
- The subject's location within a short drive to Interstate 81 provides the subject with access from this well-traveled highway.
- The subject will offer one of the largest indoor waterpark facilities in Virginia. Based on our recommendations, the indoor waterpark will be larger than Massanutten Resort and only slightly smaller than the Great Wolf Lodge Williamsburg. There are more than 24 million people living within a 180-mile radius of the subject property, and the median household income levels are higher than those in Wisconsin Dells and Sandusky. Based on the success of those resorts, it is our opinion that families from a two- to three-hour drive will enjoy coming to the subject.
- We have recommended the resort develop relationships and packages with area golf courses; Shenandoah River boating, kayaking, and canoeing groups; zip line course; and adventure park organizations. All such organizations exist in the market area and would provide additional amenities to guests and support for area businesses.
- The subject will be the newest resort hotel within the competitive set. The proposed indoor waterpark will offer a range of slides and attractions. It is projected to be popular with families and children.
- The subject will offer an attractive facility with a wide range of room types, including a higher percentage of larger suites than a typical hotel. The planned restaurants, themed lobby, gift shop, FEC/arcade, and other amenities will allow the subject to offer a memorable experience for leisure visitors.

Weaknesses

- The Shenandoah National Park is not heavily visited in the winter months. The lodges in the park and some of the hotels in the market either reduce operations or close in the winter. The park itself can be closed in the winter months should snowfall make roadways unsafe at higher elevations. Additionally, the park is considered an outdoor attraction that visitors want to experience either hiking or biking through.

- The market's other significant tourist attraction, Luray Caverns is described by many as a "one tank trip" attraction either for tour groups passing through the region or the market's many visitors. It is important for the new resort to work with this significant tourist attraction to change the perception to attract overnight guests to the benefit of both properties.
- We have assumed the property would be in or around Luray. The community lacks tourist support facilities such as restaurants and shops. With the development of the subject, we forecast additional businesses will open in the area.

Opportunities

- While the specific site of the property has not been determined, the views available to the proposed are beautiful depending upon the placement of the property. Attractive placement of the facility, especially one that may oversee and possibly have access to the Shenandoah River and view of the surrounding mountains will enhance the experience for the guest.
- An indoor waterpark provides an alternative attraction for guests to the region in the winter if weather causes closure of the national park.
- The subject is recommended to have approximately 15,000 square feet of meeting space, which will offer a ballroom, meeting rooms, and pre-function space. The subject can attract groups from the Washington DC metropolitan area as well as state associations, SMERF groups, and other meetings and events. The market currently has strong wedding group demand according to market participants but limited quality guestroom inventory. The subject can serve as a destination for the wedding groups as the host of the reception and the destination hotel for the guests of weddings held at other locations.
- The subject has a strong potential to outperform the market, particularly during the winter and summer and weekends year-round with the addition of the indoor waterpark. The subject is expected to be popular during the summer since demand is already strong.

Threats

- There will be greater competition for indoor waterpark resorts with the planned opening of the Great Wolf Lodge in Perrysville in 2023. This will be a shorter drive for residents of Baltimore and Philadelphia but it will not have as much meeting space.
- The current COVID-19 pandemic and closing of hotels and attractions indicates a major threat to a proposed hotel or attraction that will heavily rely upon visitors.

PROJECTED SUBJECT OCCUPANCY

Using a fair market share and penetration analysis, we estimated the subject's ability to capture future market area demand. Fair market share is the percentage of rooms that a property contributes to the total supply of guestrooms in the defined competitive market area. Penetration rate is the percentage of a property's fair share of demand accommodated by that property. Penetration rates in excess of 100% indicate that a hotel possesses competitive advantages, while penetration rates below 100% reflect competitive weaknesses.

In determining the subject's penetration rates, we also analyzed the projected occupancy levels of each of the properties in the competitive set, which allows us to compare the subject's performance in context with its competitive set. The following table presents the historical penetration rates for the competitive supply, followed by the subject penetration rates.

Historical and Forecasted Penetration Rates			
	Commercial	Group	Leisure
Competitors - 2021			
Salamander Resort & Spa	0%	126%	81%
Lansdowne Resort and Spa	75%	151%	49%
Hyatt Regency Chesapeake Bay	93%	156%	80%
Great Wolf Lodge Williamsburg	0%	49%	229%
The Hotel Roanoke & Conference Center, Curio Collection by Hilton	517%	105%	45%
Omni The Homestead Resort	0%	55%	65%
Stonewall Resort	0%	96%	143%
Forecasted Subject			
2025	11%	77%	114%
2026	19%	93%	119%
2027	26%	99%	120%
2028	26%	99%	120%
2029	26%	99%	120%

Source: Hotel & Leisure Advisors

Commercial Demand Penetration: Based upon the family orientation of the proposed resort and its location in Page County, which has limited corporate demand generators, we project a very low penetration level in this segment.

Group Demand Penetration: We recommend the subject offer approximately 15,000 square feet of meeting space for group and birthday party use. For corporate groups, associations, executive retreats, family-related group demand, government groups, sports groups, and SMERF groups, the hotel will offer attractive facilities and include the waterpark, which will be unique. We project the subject will become a popular destination for groups since it is within a 90-minute drive of Washington DC. We project the subject will become a popular location for tour groups who will appreciate its convenient location to the Shenandoah National Park, Luray Caverns, and Washington DC. We project a below fair share penetration rate in the group segment in initial years as the subject builds its marketing for conferences and groups and will stabilize closer to fair share. We project strong group sales efforts beginning 18 months prior to opening.

Leisure Demand Penetration: With the indoor waterpark, the subject will have an important competitive advantage over the other properties. Leisure travelers will initially be interested in the subject because it is new. The property will also be convenient to the national park. Our penetration rate considers that the subject will create an attraction that will have a strong interest level from families. Its location will benefit potential leisure business. The subject's indoor waterpark will be a strong tourist attraction year-round. Based on these factors, we anticipate the subject will penetrate this segment above fair share in the first year of operation and beyond.

The following displays present the estimated demand penetration rates and occupancy for the subject hotel for the projection period.

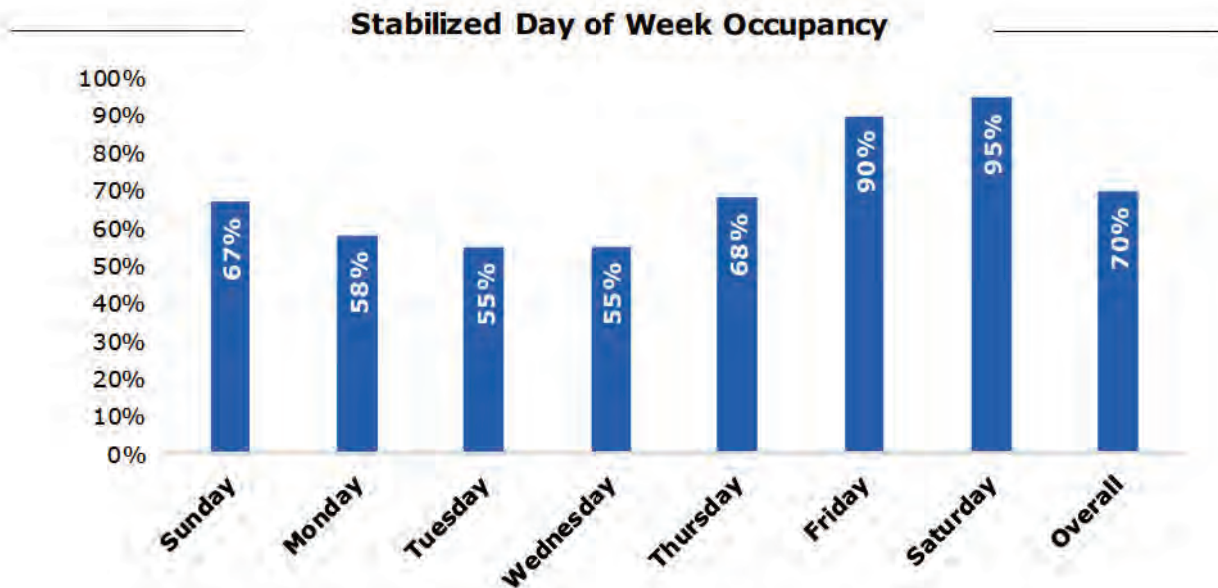
Demand Penetration Rates and Occupancy						
Proposed Destination Resort - Page County						
	2025	2026	2027	2028	2029	2030
Room Nights by Segment						
Commercial	628	1,133	1,509	1,509	1,509	1,509
Group	16,950	20,934	22,792	22,792	22,792	22,792
Leisure	47,920	50,749	52,245	52,245	52,245	52,245
Total Occupied Room Nights	65,498	72,816	76,546	76,546	76,546	76,546
Percentage of Room Nights by Segment						
Commercial	1.0%	1.6%	2.0%	2.0%	2.0%	2.0%
Group	25.9%	28.7%	29.8%	29.8%	29.8%	29.8%
Leisure	73.2%	69.7%	68.3%	68.3%	68.3%	68.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Subject available rooms per day	300	300	300	300	300	300
Subject available rooms per year	109,500	109,500	109,500	109,500	109,500	109,500
Subject Property Projections						
Subject occupancy	59.8%	66.5%	69.9%	69.9%	69.9%	69.9%
Market share	8.5%	9.3%	9.6%	9.6%	9.6%	9.6%
Fair share	9.1%	9.1%	9.1%	9.1%	9.1%	9.1%
Penetration	93.8%	102.3%	105.9%	105.9%	105.9%	105.9%
Market Occupancy	63.7%	65.0%	66.0%	66.0%	66.0%	66.0%

Source: Hotel & Leisure Advisors

In a stabilized year of operation, we project the subject to achieve an occupancy level of 69.9%, which results in an overall penetration rate of 105.9%. The subject should outperform the market, despite its low commercial demand due to its many attractions. We project the market segmentation for the subject hotel to be predominantly leisure and group. The stabilized occupancy reflects the anticipated results of the property over its remaining economic life, given all changes in the life cycle of the hotel. Thus, the stabilized occupancy excludes from consideration any abnormal relationship between supply and demand, as well as any nonrecurring conditions that may result in unusually high or low occupancies. Although the subject property may operate at occupancies above this stabilized level, we believe it is equally possible for shifts in the local economy and changes in the market's demand patterns to force the occupancy below this selected point of stability.

Daily Analysis

The following table indicates our projections by day, which shows the property will achieve stronger occupancy levels on weekends.

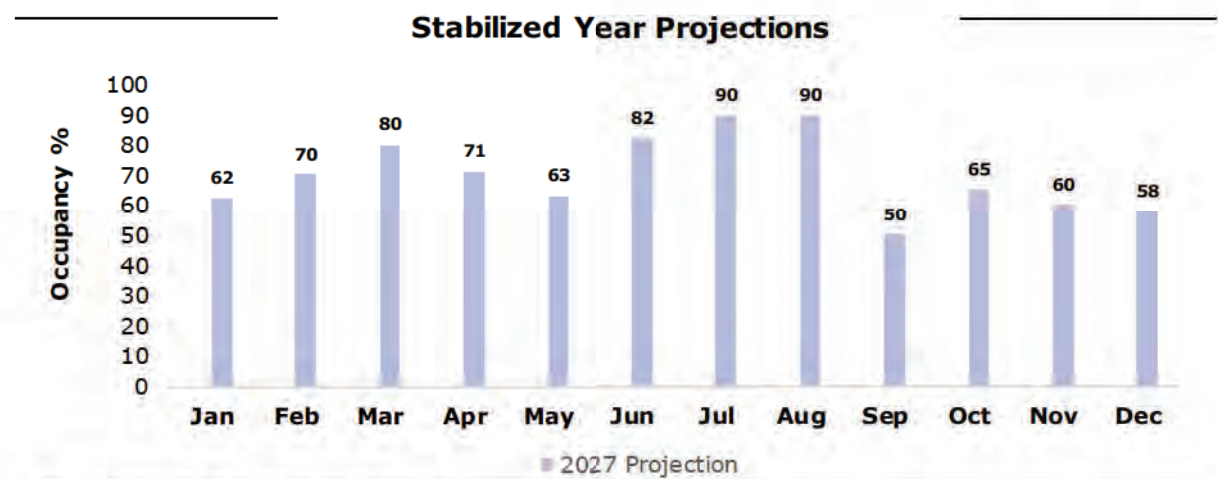


Source: Hotel & Leisure Advisors

Weekends will be nearly full because of the indoor waterpark and other attractions. During weekdays, the subject will attract some group and summer leisure demand.

Monthly Analysis

The following chart indicates our projections of occupancy by month in a stabilized year of operation. We project higher occupancy levels in the winter and summer.



Source: Hotel & Leisure Advisors

ESTIMATED AVERAGE DAILY RATE

The estimates of future ADR for the subject hotel are based on the following factors:

- Historical ADRs achieved by the competitors
- The discounting practices of these hotels
- The projected demand segmentation of the subject
- The acknowledgment that some comparable resorts charge a resort fee. In the case of the subject, the ADR projection excludes the resort fee, which we included under Miscellaneous Income.
- Waterpark usage is included in the ADR
- The appropriate rate positioning of similarly operated properties relative to other hotels
- Estimated economic inflation rate of 2.5% per year

We analyzed the historical ADR for the competitive set and individual competitors within the market. Between 2019 and 2021, the ADR among the competitive supply increased by a compounded annual rate of 14.8% to \$290.62 in 2021.

The competitive supply has a wide range in ADRs as shown in the following table.

Competitive Hotels Average Daily Rate Analysis	
	2019 Estimated Performance
Salamander Resort & Spa	\$300 - \$325
Lansdowne Resort and Spa	\$175 - \$200
Hyatt Regency Chesapeake Bay	\$175 - \$200
Great Wolf Lodge Williamsburg	\$250 - \$275
The Hotel Roanoke & Conference Center	\$150 - \$175
Omni The Homestead Resort	\$225 - \$250
Stonewall Resort	\$150 - \$175
Weighted Average	\$220.53

Source: Hotel & Leisure Advisors

Rack Rates: We recommend that the subject promote rack rates, including use of the indoor waterpark. We recommend that the subject offer some rooms on weekdays at traditional rack rates (excluding waterpark premium) for groups and commercial travelers, while keeping all leisure-oriented rates higher. Including the waterpark passes with most room rates will help in planning and managing the waterpark, including knowing how many day passes and birthday party passes can be sold.

We project higher rack rates, particularly on weekends and during the high season, which we consider as weekends year-round, weekdays during school breaks, and summer. We project that the subject will offer lower rates during slower business periods.

We projected recommended rack rates considering the projected non-brand affiliation, newly constructed condition, location, and competitive rate structuring at nearby hotels. We recommend the following room rate structure, in 2025 dollars, for the proposed subject hotel.

Recommended Rack Rates (include waterpark passes)

Proposed Destination Resort - Page County

Room Type	Rate
Double Queen	\$159 - \$599
King	\$159 - \$599
Suites	\$199 - \$999
Cabins	\$199 - \$999

Source: Hotel & Leisure Advisors

We utilized the rate structures at existing indoor waterpark resorts in Wisconsin Dells, Sandusky, and Williamsburg markets as references but considered that the Page County market is less of a tourist destination and achieves lower summer average rates than these competitive indoor waterpark resort markets.

Analysis of Subject Average Daily Rate

We projected the ADR at the subject property by comparing historical ADRs of the competitive properties and considering potential future rate increases. The ADR projection excludes any resort fee that the property may charge, which we accounted for under Miscellaneous Income departments. We recommend the subject charge a resort fee of \$40 that will include use of the fitness center, parking, towels in waterpark, water, Wi-Fi, and other amenities. The following table illustrates occupancy and ADRs by market segment in first-year dollars, including waterpark admission.

Average Daily Rate Analysis

First Year - 2025

Commercial

Percent of total rooms	1.0%
Average daily rate	\$165.00
Room nights	628
Total revenue	\$103,650

Group

Percent of total rooms	25.9%
Average daily rate	\$265.35
Room nights	16,950
Total revenue	\$4,497,717

Leisure

Percent of total rooms	73.2%
Average daily rate	\$360.50
Room nights	47,920
Total revenue	\$17,275,123

Annual Combined

Occupancy	59.8%
Total room nights	65,498
Total rooms revenue	\$21,876,000
Average daily rate	\$334
RevPAR	\$200

Note: Totals may not add due to rounding

Source: Hotel & Leisure Advisors

We project the subject will offer discounts in the group and commercial segments to attract travelers during non-summer weekdays when families are not available to utilize the subject facilities. The leisure segment should achieve the highest rate since it includes the summer, school holidays, and weekends year-round.

After discounting and promotions, the rate structure should enable the hotel to achieve an estimated ADR of \$334 in 2025 dollars. The table indicates the projected ADR, including waterpark passes. We increased the ADR projection by above inflation in the first two years to account for introductory specials. Future projections increase at the rate of inflation throughout the projection period.

The following table demonstrates the projected occupancy and ADR for the market and the subject for calendar year projections.

Estimated Average Daily Rate, Occupancy, and RevPAR

Market and Subject											
Competitive Set of Hotels						Subject Property					
Year	Occupancy	ADR	ADR Growth Rate	RevPAR	RevPAR Growth Rate	Occupancy	ADR	ADR Growth Rate	ADR Penetration	RevPAR	RevPAR Growth Rate
2019	65.3%	\$220.53		\$144.01							
2020	33.8%	\$212.92	-3.5%	\$72.03	-50.0%						
2021	48.2%	\$290.62	36.5%	\$140.06	94.5%						
2022	60.0%	\$311.00	7.0%	\$186.48	33.1%						
2023	64.7%	\$323.44	4.0%	\$209.16	12.2%						
2024	64.0%	\$331.53	2.5%	\$212.02	1.4%						
2025	63.7%	\$339.81	2.5%	\$216.61	2.2%	59.8%	\$334.00		98.3%	\$199.78	
2026	65.0%	\$348.31	2.5%	\$226.45	4.5%	66.5%	\$345.69	3.5%	99.2%	\$229.88	15.1%
2027	66.0%	\$357.02	2.5%	\$235.58	4.0%	69.9%	\$356.06	3.0%	99.7%	\$248.90	8.3%
2028	66.0%	\$365.94	2.5%	\$241.47	2.5%	69.9%	\$364.96	2.5%	99.7%	\$255.13	2.5%
2029	66.0%	\$375.09	2.5%	\$247.51	2.5%	69.9%	\$374.09	2.5%	99.7%	\$261.50	2.5%

Source: Hotel & Leisure Advisors

Our estimates of revenues, as outlined in this section of the report, are predicated on the following assumptions:

- The subject hotel will be professionally managed and maintained
- The subject will be effectively promoted with a well-targeted marketing program throughout the analysis period
- The subject hotel will not be affiliated with a national hotel franchise
- A continued program of periodic replacement of FF&E will continue throughout the analysis period

INDOOR WATERPARK ANALYSIS

Although the subject indoor waterpark will focus on hotel guests as visitors, we project that it will also be open to birthday parties, groups, and local residents, particularly on weekdays. We recommend that the subject not allow day visitors on most weekends to encourage overnight stays. In this section, we estimate the number of waterpark attendees from hotel guests and area residents.

Additional Waterpark Competitors: Currently there are no indoor waterpark resorts in Page County. The closest indoor waterpark resort is Massanutten Resort, which offers an indoor and outdoor waterpark and nearly 1,400 timeshare units and rooms followed by the Great Wolf Lodge Williamsburg, which offers indoor and outdoor waterparks and over 400 guestrooms. The nearest outdoor waterpark is Soak City Water Park at Kings Dominion in Doswell, Virginia.

Estimated Average Ticket Price

To estimate the average ticket prices for hotel guests and non-hotel guests, we analyzed historical ticket prices achieved on a per square foot basis at the comparable facilities. We took into account the average rates achieved by the comparables and projected the appropriate rate positioning for the subject.

The following indicates our projected overall average ticket price for the subject.

Forecasted Average Ticket Price Analysis		
	Low	High
Comparable Waterpark Properties		
Kalahari - Sandusky, OH	\$39.99	\$134.99
Kalahari - Wisconsin Dells, WI	\$49.99	\$79.99
Kalahari - Poconos, PA	\$69.99	\$129.99
Split Rock - Lake Harmony, PA	\$33.00	\$38.00
Great Wolf Lodge - Concord, NC	\$30.00	\$115.00
Great Wolf Lodge - Williamsburg, VA	\$50.00	\$120.00
Camelback Aquatopia - Tannersville, PA	\$69.00	\$129.00
Massanutten Resort - Massanutten, VA	\$47.00	\$62.00
Water Country USA - Williamsburg, VA	\$47.99	\$64.99
Ocean Breeze - Virginia Beach, VA	\$44.99	\$49.99
Kings Dominion - Doswell, VA	\$45.00	\$75.00
Average Ticket Price per 1,000 square feet	\$0.508	\$1.002
Ticket Price Range per 1,000 square feet	\$0.229 - 0.836	\$0.591 - 1.791
Proposed Indoor Waterpark - First Year (2025 Dollars)		
Indoor Waterpark Square Feet	60,000	
Ticket Price	\$40.00	\$90.00
Ticket Price per 1,000 square feet	\$0.67	\$1.50
Percentage of Discounted Tickets		65%
Overall Average ticket Price		\$57.50
<i>Source: Hotel & Leisure Advisors</i>		

We recommend the subject implement a dynamic pricing model, thereby charging higher rates during peak demand periods (like spring break). On weekends, more hotel guests will pay for use of the waterpark in their room rate. The subject should offer discounts to local guests during slower periods. We recommend the following ticket price structure for the proposed indoor waterpark in the first year of operation.

Projected Ticket Prices		
Proposed Indoor Waterpark		
	Weekdays	Weekends/Holidays
Day Pass Rates	\$40 - \$70	\$70 - \$90
<i>Source: Hotel & Leisure Advisors</i>		

The preceding rate structure represents the projected published rates for the proposed indoor waterpark in a stabilized market. We project the subject will have a range of ticket prices depending on the day of week. We project the subject will apply discounts to the listed rates during slower periods and for groups. After considering applicable discounting

and promotional rates, the above structure should enable the subject to achieve an estimated first year average ticket price of \$57.50.

We project the subject will offer room rates that include use of the waterpark on the days of arrival and departure. The room rates will allow each room to receive four to six wristbands. We recommend the subject limit availability for day passes to special events and groups. We increased the average ticket price at the rate of inflation throughout the projection period.

Projected Subject Waterpark Performance

Based on interviews with comparable indoor waterparks, our general knowledge of the market area, and consideration of factors such as competent and efficient management, a well-defined marketing program, the subject property's location, and the quality of its facility, we estimated future demand of the subject waterpark by hotel and non-hotel guests.

Hotel Demand: We estimated the projected demand for use of the indoor waterpark through overnight hotel packages. The following table presents our projections for occupancy and the number of room night occupants who purchase waterpark packages in the first year of our analysis.

Forecasted Demand	
Proposed Destination Resort - Page County Packages	
First Year - 2025	
Available Rooms per Day	300
Available Rooms per Year	109,500
Occupancy	59.8%
Occupied Rooms	65,498
Group Demand	
Group Demand Percentage	25.9%
Group Occupied Rooms	16,950
Group Waterpark Utilization	65.0%
Waterpark Package Group Occupied Rooms	11,018
Leisure Demand	
Leisure Demand Percentage	73.2%
Leisure Occupied Rooms	47,920
Leisure Waterpark Utilization	100.0%
Waterpark Package Leisure Occupied Rooms	47,920
Total Waterpark Package Occupied Rooms	58,937
Average guests per room	4.3
Forecasted visitors	253,431

Source: Hotel & Leisure Advisors

We project approximately 11,018 of the group-occupied rooms and 47,920 of the leisure-occupied rooms will purchase room rates that include waterpark tickets. We project the

average guestroom to have approximately 4.3 guests per room, which equals 253,431 visitors.

Local Residents, Birthday Party, and Group Day Passes: We project that on weekdays and slower weekends the subject will have capacity for local residents to utilize the waterpark. We project stronger local resident demand during the winter, on weekends, and during school breaks when local residents have more free time.

Forecasted Demand	
Local Residents and Daily Visitors	
First Year - 2025	
Residents within 60 mile radius	1,954,570
Residents younger than 20	500,196
Usage percentage	3.0%
Waterpark visitors younger than 20	15,006
Accompanying adults (1:2)	7,503
Total waterpark visitors	22,509
Visits per year per person	1
Total annual waterpark visits	22,509
Average waterpark ticket price	\$57.50
Forecasted revenue (rounded)	\$1,294,000

Source: Hotel & Leisure Advisors

We project 15,006 of residents under age 20 who live within a 60-mile radius of the facility will utilize the indoor waterpark through a day pass. Including adult chaperones, this equals approximately 22,509 local waterpark visitors. We expect strong demand for birthday parties and other children-oriented functions in the birthday party area of the waterpark.

Cabanas and Lockers: We project the property will provide approximately 200 lockers for guests to store personal belongings. We project approximately 140 daily rentals of lockers per year for the resort.

A number of guests will pay a premium for a private seating area in the indoor waterpark. Individual cabanas provide guaranteed seating and a location for guests to store their belongings. We project approximately 150 daily cabana rentals per year. The following table indicates our estimates.

Forecasted Demand	
Cabana and Locker Rentals	
First Year - 2025	
Number of cabanas	20
Daily rental rate	\$250.00
Rentals per cabana per year	150
Cabana revenue	\$750,000
Number of lockers	200
Daily rental rate	\$15.00
Rentals per locker per year	140
Locker revenue	\$420,000
Total revenue	\$1,170,000

Source: Hotel & Leisure Advisors

We project the combined cabana and locker rental will generate \$1,170,000 in the first year of operation.

The following table presents the estimated demand by segment and total revenue for the subject indoor waterpark for the projection period. Based upon the size of the indoor waterpark (60,000 square feet), we project the indoor waterpark will have a maximum capacity of 1,500 people with additional capacity outdoors.

We estimate local resident usage will decline slightly in the second year because the subject will have a strong novelty factor when it first opens.

Proposed Destination Resort - Luray, Virginia
Subject Occupancy and Average Daily Rate Analysis

D-14

Forecasted Indoor Waterpark Attendance and Revenue					
	2025	2026	2027	2028	2029
Proposed Destination Resort - Page County					
Subject property occupied rooms	65,498	72,816	76,546	76,546	76,546
Waterpark package occupied rooms	58,937	65,523	68,879	68,879	68,879
Forecasted attendance	253,431	281,747	296,178	296,178	296,178
Local residents and daily visitors					
Annual attendance	22,509	21,608	21,608	21,608	21,608
Average waterpark ticket price	\$57.50	\$58.94	\$60.41	\$61.92	\$63.47
Forecasted revenue	\$1,294,000	\$1,273,549	\$1,305,388	\$1,338,022	\$1,371,473
Total					
Waterpark attendance	275,940	303,356	317,786	317,786	317,786
Available capacity (1,500 / day)	547,500	547,500	547,500	547,500	547,500
Usage percentage	50.4%	55.4%	58.0%	58.0%	58.0%
Forecasted ticket revenue	\$1,294,000	\$1,274,000	\$1,305,000	\$1,338,000	\$1,371,000
Cabanas and locker rentals revenue	\$1,170,000	\$1,199,000	\$1,229,000	\$1,260,000	\$1,292,000
Total revenue	\$2,464,000	\$2,473,000	\$2,534,000	\$2,598,000	\$2,663,000
Forecasted attendance per square foot	4.6	5.1	5.3	5.3	5.3
Demand sources					
Proposed Destination Resort - Page County	91.8%	92.9%	93.2%	93.2%	93.2%
Daily visitors	8.2%	7.1%	6.8%	6.8%	6.8%
Note: Waterpark has 60,000 square feet					
Source: Hotel & Leisure Advisors					

The stabilized year projected attendance per square foot of 5.3 is in the range of our estimates of the average attendance per square foot for eight comparable indoor waterparks as shown in the following table.

Annual Attendance at Indoor Waterpark Resorts		
Resort	Historical Annual Attendance	Attendance/SF
A	950,000	5.5
B	900,000	7.2
C	491,000	7.3
D	521,000	6.7
E	330,000	3.3
F	180,000	6.0
G	196,000	6.1
H	240,000	2.5
Average		5.6
Source: Hotel & Leisure Advisors		

Our estimates of revenues are predicated on the following assumptions:

- The subject hotel and waterpark will be professionally managed and maintained
- The subject hotel and waterpark will be effectively promoted with a well-targeted marketing program throughout the analysis period
- The subject hotel and waterpark will actively promote the waterpark and sell packages
- A continued program of periodic replacement of FF&E will continue throughout the analysis period

INTRODUCTION

To estimate the statement of annual operating results of the subject property, we analyzed the subject's proposed project scope and characteristics. We identified operating statements of comparable properties and reviewed industry standards for comparable properties in forecasting the financial performance of the subject.

The general steps include the following:

- Estimate the potential gross revenues for the subject property based upon an examination of the prior operating history of the subject property (if available), operating history of comparable properties in the subject market area and on a national basis, and an analysis of industry trends.
- Analyze departmental, undistributed, and non-operating expenses, and project appropriate amounts in each category.
- Project the resultant net income/EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) over an appropriate holding period.

All amounts have been rounded to the nearest \$1,000, and account classifications generally conform to the definitions prescribed by the American Hotel and Lodging Association in the Uniform System of Accounts for the Lodging Industry, 11th Edition.

The prospective financial analysis is based on the results of operations of comparable facilities, industry standards, and projections regarding the future environment in which the hotel will operate. This includes the assumption that the property will be competently and professionally operated, advertised and promoted.

The industry standards utilized for this analysis are from the *HOST Study 2020*, published by STR, and *TRENDS in the Hotel Industry 2020*, published by CBRE. We utilized industry standards for full-service resort hotels from the *HOST Study* and resort hotels between 200 and 500 guestrooms from *TRENDS*.

For Comparables One and Two we compiled a grouping of 36 indoor waterpark destination resorts that we have analyzed over the past years. Comparable One represents the overall average of the 36 properties. This grouping has an average of 403 rooms and an average net indoor waterpark area of 65,814 square feet. Comparable Two represents the average of the four better-performing properties, which have the highest income before fixed charges as a percentage of total revenue. These four properties have an average of 875 rooms and an average net indoor waterpark area of 149,900 square feet. The data presented is an average of the statements in order to protect the confidentiality of this financial information. H&LA has signed agreements that contractually prohibit our release of the identity of the presented statements to third parties.

The following statements present comparable hotel operating results and industry standards of comparable properties. We note that the industry standards do not have indoor waterparks.

Proposed Destination Resort - Luray, Virginia Financial Analysis

E-2

Comparable Financial Statements and Industry Standards

	Comparable 1				Comparable 2				CBRE Trends 2020				HOST Report 2020			
	35 Indoor Waterpark Resorts				Four Better Performing Indoor Waterparks				Full Service Resort - 200 to 500 Rooms				Full Service - Resort			
	403	TWP SF	65,814		875	TWP SF	149,900		341				387			
Available Rooms	64.4%				68.8%				68.6%				74.5%			
Occupancy	\$220.73				\$240.45				\$299.66				\$251.08			
Average Rate	365				365				365				365			
Days Open	94,754				219,751				85,383				105,112			
Occupied Room Nights	147,116				319,375				124,465				141,126			
Available Room Nights																
	\$	%	\$/Aval Rm	\$/Occ Rm Night	\$	%	\$/Aval Rm	\$/Occ Rm Night	\$	%	\$/Aval Rm	\$/Occ Rm Night	\$	%	\$/Aval Rm	\$/Occ Rm Night
Revenues																
Rooms	\$20,914,824	54.5%	\$51,890	\$220.73	\$52,839,837	55.8%	\$60,388	\$240.45	\$25,595,912	51.8%	\$75,032	\$299.66	\$26,391,762	53.7%	\$68,258	\$251.08
Food and Beverage	8,339,767	21.7%	20,691	88.01	20,153,976	21.3%	23,033	91.71	16,940,539	34.3%	49,679	198.41	15,600,034	31.7%	40,347	148.41
Other Operated Departments	712,737	1.9%	1,768	7.52	1,466,128	1.5%	1,676	6.67	5,312,098	10.7%	15,578	62.21	4,109,409	8.4%	10,628	39.10
Miscellaneous Income (Net)	1,626,210	4.2%	4,035	17.16	5,096,040	5.4%	5,824	23.19	1,582,240	3.2%	4,640	18.53	3,061,483	6.2%	7,918	29.13
Retail	1,876,599	4.9%	4,656	19.80	4,149,803	4.4%	4,743	18.88	-	-	-	-	-	-	-	-
FEC	2,627,876	6.9%	6,520	27.73	5,387,750	5.7%	6,157	24.52	-	-	-	-	-	-	-	-
Indoor Waterpark	1,528,223	4.0%	3,792	16.13	3,796,791	4.0%	4,341	17.29	-	-	-	-	-	-	-	-
Spa	731,926	1.9%	1,816	7.72	1,790,172	1.9%	2,046	8.15	-	-	-	-	-	-	-	-
Total Operating Revenue	38,356,163	100.0%	95,168	404.82	94,682,497	100.0%	108,209	430.86	49,420,789	100.0%	144,929	578.81	49,162,689	100.0%	127,151	467.72
Departmental Expenses																
Rooms	4,118,998	19.7%	10,219	43.47	9,914,543	18.8%	11,331	45.12	6,313,956	24.7%	18,516	73.95	6,612,809	25.1%	17,103	62.91
Food and Beverage	5,574,383	66.8%	13,830	58.83	12,605,314	62.5%	14,406	57.36	11,942,502	70.5%	35,022	139.87	10,805,425	69.3%	27,946	102.80
Other Operated Departments	413,021	57.9%	1,025	4.36	440,282	30.0%	503	2.00	3,289,627	61.9%	9,647	38.53	3,208,655	78.1%	8,299	30.53
Retail	1,121,130	59.7%	2,782	11.83	2,249,841	54.2%	2,571	10.24	-	-	-	-	-	-	-	-
FEC	877,483	33.4%	2,177	9.26	1,142,542	21.2%	1,306	5.20	-	-	-	-	-	-	-	-
Indoor Waterpark	2,076,131	135.9%	5,151	21.91	5,438,070	143.2%	6,215	24.75	-	-	-	-	-	-	-	-
Spa	605,086	82.7%	1,501	6.39	1,438,287	80.3%	1,644	6.55	-	-	-	-	-	-	-	-
Total Departmental Expenses	14,786,231	38.5%	36,685	156.05	33,228,980	35.1%	37,976	151.21	21,546,085	43.6%	63,185	252.35	20,626,889	42.0%	53,348	196.24
Total Departmental Profit	23,571,932	61.5%	58,483	248.77	61,453,618	64.9%	70,233	279.65	27,874,704	56.4%	81,744	326.47	28,535,800	58.0%	73,803	271.48
Undistributed Operating Expenses																
Administrative & General	2,434,018	6.3%	6,039	25.69	5,134,068	5.4%	5,868	23.36	3,572,316	7.2%	10,476	41.84	3,516,308	7.2%	9,094	33.45
Information & Telecom Systems	469,544	1.2%	1,165	4.96	1,037,979	1.1%	1,186	4.72	706,211	1.4%	2,071	8.27	606,500	1.2%	1,569	5.77
Sales and Marketing/Franchise Fees	2,582,043	6.7%	6,406	27.25	2,674,841	2.8%	3,057	12.17	3,545,718	7.2%	10,398	41.53	3,445,495	7.0%	8,911	32.78
Prop. Oper. & Maintenance	1,487,746	3.9%	3,691	15.70	2,876,984	3.0%	3,288	13.09	2,190,925	4.4%	6,425	25.66	1,960,273	4.0%	5,070	18.65
Utilities	1,445,812	3.8%	3,587	15.26	2,751,121	2.9%	3,144	12.52	1,447,886	2.9%	4,246	16.96	1,355,478	2.8%	3,506	12.90
Total Undistributed Oper. Expenses	8,419,164	21.9%	20,888	88.85	14,474,993	15.3%	16,543	65.87	11,463,056	23.2%	33,616	134.25	10,884,054	22.1%	28,150	103.55
Gross Operating Profit	15,152,768	39.5%	37,595	159.92	46,978,625	49.6%	53,690	213.78	16,411,648	33.2%	48,128	192.21	17,651,745	35.9%	45,653	167.93
Management Fees	1,602,613	4.2%	3,976	16.91	2,906,753	3.1%	3,322	13.23	1,687,950	3.4%	4,950	19.77	1,661,420	3.4%	4,297	15.81
Income Before Non-Oper. Expenses	13,550,155	35.3%	33,618	143.00	44,071,871	46.5%	50,368	200.55	14,723,698	29.8%	43,178	172.44	15,990,325	32.5%	41,356	152.13
Non-Operating Expenses																
Property Tax	1,026,020	2.7%	2,546	10.83	2,220,306	2.3%	2,537	10.10	920,359	1.9%	2,699	10.78	1,239,174	2.5%	3,205	11.79
Insurance	416,483	1.1%	1,033	4.40	1,188,471	1.3%	1,358	5.41	698,027	1.4%	2,047	8.18	562,746	1.1%	1,455	5.35
Reserve for Replacement	1,703,117	4.4%	4,225	17.97	1,832,520	1.9%	2,094	8.34	-	-	-	-	1,247,616	2.5%	3,227	11.87
Total Non-Operating Expenses	3,145,620	8.2%	7,804	33.20	5,241,297	5.5%	5,990	23.85	1,618,386	3.3%	4,746	18.95	3,049,536	6.2%	7,887	29.01
Net Income/EBITDA	\$10,404,535	27.1%	\$25,814	\$ 109.81	\$38,830,574	41.0%	\$44,378	\$ 176.70	\$13,105,312	26.5%	\$38,432	\$ 153.49	\$12,940,789	26.3%	\$33,469	\$ 123.11

Source: Hotel & Leisure Advisors, HOST Study, and CBRE Trends

Fixed and Variable Component Analysis

In forecasting revenues and expenses for a lodging facility, we utilized a fixed and variable component model. The model is based on the premise that hotel revenues and expenses have a component that is fixed and another component that varies directly with occupancy and facility utilization. Therefore, a projection is estimated by taking a known level of revenue or expense and calculating the fixed component as well as the variable portion. The fixed component is then held at a constant level, while the variable portion is adjusted for the percentage change between the projected occupancy and facility utilization, which produces the projected level of revenue or expense.

The following table indicates the expense categories that can be projected utilizing the fixed and variable component model. The first two columns represent the typical range of fixed versus variable while the third column represents the figure selected for this project.

Range of Fixed and Variable Ratios				
	Typical Percent Fixed	Typical Percent Variable	This Project % Fixed	Index of Variability
Departmental Expenses				
Rooms	40 - 60%	40 - 60%	45%	Rooms Revenue
Food and Beverage	40 - 60%	40 - 60%	45%	Occupancy
Other Operated Departments	40 - 60%	40 - 60%	45%	Occupancy
Undistributed Operating Expenses				
Administrative & General	40 - 60%	40 - 60%	50%	Occupancy
Information & Telecom Systems	60 - 80%	20 - 40%	50%	Occupancy
Sales and Marketing/Franchise Fees	40 - 60%	40 - 60%	50%	Occupancy
Prop. Oper. & Maintenance	40 - 60%	40 - 60%	50%	Occupancy
Utilities	40 - 60%	40 - 60%	50%	Occupancy
Management Fees	0%	100%	0%	Total Revenue
Non-Operating Expenses				
Property Tax	100%	0%	100%	Occupancy
Insurance	100%	0%	100%	Occupancy
Reserve for Replacement	0%	100%	0%	Total Revenue

Source: Hotel & Leisure Advisors

INCOME AND EXPENSE ANALYSIS

The following items outline the revenues and expenses calculations.

Rooms Revenue: We calculated rooms department revenue by estimating annual occupancy and ADR per occupied room. Our estimates of occupancy and ADR, and the rationale supporting these estimates, are presented in the Subject Occupancy and Average Daily Rate Analysis section of this report. The following table indicates the projected occupancy levels and ADR for the subject property.

Forecasted Rooms Revenue						
	First Year - 2025	2026	2027	2028	2029	2030
Number of rooms	300	300	300	300	300	300
Occupancy	59.8%	66.5%	69.9%	69.9%	69.9%	69.9%
Average rate	\$334.00	\$345.69	\$356.06	\$364.96	\$374.09	\$383.44
RevPAR	\$199.78	\$229.88	\$248.90	\$255.13	\$261.50	\$268.04
Rooms occupied	65,498	72,816	76,546	76,546	76,546	76,546
Rooms revenue	\$21,876,332	\$25,171,763	\$27,255,022	\$27,936,398	\$28,634,808	\$29,350,678

Source: Hotel & Leisure Advisors

Food and Beverage Revenue: Food and beverage revenue is from the sale of food and beverages from the restaurants, lounges, waterpark and arcade snack bars, banquet and meeting rooms, and other food and beverage outlets. Additional revenue is generated from meeting room rentals, setup and service charges, surcharges, audiovisual rentals, and other meeting-room related miscellaneous income. The following table outlines our analysis of the subject's food and beverage department revenues.

Food and Beverage Revenue				
	Amount	% of Total Revenue	\$/Avail Rm	\$/Occ Rm Night
Comparables				
Comparable 1 - 36 Indoor Waterpark Resorts	\$8,339,767	21.7%	\$20,691	\$88.01
Comparable 2 - Four Better Performing Indoor Waterparks	\$20,153,976	21.3%	\$23,033	\$91.71
CBRE Trends 2020 - Full Service Resort - 200 to 500 Rooms	\$16,940,539	34.3%	\$49,679	\$198.41
HOST Report 2020 - Full Service - Resort	\$15,600,034	31.7%	\$40,347	\$148.41
Average	\$15,258,579	27.3%	\$33,438	\$131.64
H&LA Forecasted First Year	\$8,187,000	20.4%	\$27,290	\$125.00
H&LA Stabilized Year 3	\$9,545,000	19.8%	\$31,817	\$124.70

Source: Hotel & Leisure Advisors

Our projection is within the range of the comparables on a per-occupied-room basis reflecting the higher revenue potential of the Washington DC/east coast market. The subject will also offer the largest hotel meeting space in Page County, and there are very limited dining options in the area.

Other Operated Departments Revenue: This revenue line item consists of revenues from other operated departments, which include outdoor activities, valet parking, kid's club activities, MagiQuest type interactive game, and other departments. The following table outlines our analysis of the subject's other operated department revenues.

Other Operated Departments Revenue

	Amount	% of Total Revenue	\$/Avail Rm	\$/Occ Rm Night
Comparables				
Comparable 1 - 36 Indoor Waterpark Resorts	\$712,737	1.9%	\$1,768	\$7.52
Comparable 2 - Four Better Performing Indoor Waterparks	\$1,466,128	1.5%	\$1,676	\$6.67
CBRE Trends 2020 - Full Service Resort - 200 to 500 Rooms	\$5,312,098	10.7%	\$15,578	\$62.21
HOST Report 2020 - Full Service - Resort	\$4,109,409	8.4%	\$10,628	\$39.10
Average	\$2,900,093	5.6%	\$7,413	\$28.88
H&LA Forecasted First Year	\$786,000	2.0%	\$2,620	\$12.00
H&LA Stabilized Year 3	\$916,000	1.9%	\$3,053	\$11.97

Source: Hotel & Leisure Advisors

The industry standards include a number of departments under this category, while we segmented out the larger other operated departments as separate categories.

Miscellaneous Income (net): This line item includes revenue from the resort fee and other miscellaneous income (net). We project the subject will charge a \$40.00 resort fee that will include use of the fitness center, waterpark, parking, water, Wi-Fi, and other amenities. Other miscellaneous income can include attrition fees, cancellation fees, resort fees, cash discounts earned from suppliers, gains/losses from foreign currency exchange for guests, interest income, and any other miscellaneous income generated by the hotel. The resort fee of \$40.00 is the largest component of this line item. The following table outlines our analysis of the subject's miscellaneous income:

Miscellaneous Income (Net)

	Amount	% of Total Revenue	\$/Avail Rm	\$/Occ Rm Night
Comparables				
Comparable 1 - 36 Indoor Waterpark Resorts	\$1,626,210	4.2%	\$4,035	\$17.16
Comparable 2 - Four Better Performing Indoor Waterparks	\$5,096,040	5.4%	\$5,824	\$23.19
CBRE Trends 2020 - Full Service Resort - 200 to 500 Rooms	\$1,582,240	3.2%	\$4,640	\$18.53
HOST Report 2020 - Full Service - Resort	\$3,061,483	6.2%	\$7,918	\$29.13
Average	\$2,841,493	4.8%	\$5,604	\$22.00
H&LA Forecasted First Year	\$2,300,000	5.7%	\$7,667	\$35.12
H&LA Stabilized Year 3	\$2,681,000	5.6%	\$8,937	\$35.02

Source: Hotel & Leisure Advisors

We included the \$40.00 resort fee for all leisure room nights sold. We assume that the subject will waive the resort fee for some group clients and have included only 50% of the group room nights.

Retail Department: We assume that the subject property will contain approximately 2,500 square feet of retail space in two or more areas throughout the property. Retail revenue will occur from the sale of T-shirts, swim-related items, sundries, knickknacks, souvenirs, and other items. We recommend the sale of items related to the waterpark

resort's theme. The following table outlines our analysis of the subject's retail department revenue.

Retail Revenue				
	Amount	% of Total Revenue	\$/Avail Rm	\$/Occ Rm Night
Comparables				
Comparable 1 - 36 Indoor Waterpark Resorts	\$1,876,599	4.9%	\$4,656	\$19.80
Comparable 2 - Four Better Performing Indoor Waterparks	\$4,149,803	4.4%	\$4,743	\$18.88
CBRE Trends 2020 - Full Service Resort - 200 to 500 Rooms	-	-	-	-
HOST Report 2020 - Full Service - Resort	-	-	-	-
Average	\$3,013,201	4.6%	\$4,699	\$19.34
H&LA Forecasted First Year	\$1,310,000	3.3%	\$4,367	\$20.00
H&LA Stabilized Year 3	\$1,527,000	3.2%	\$5,090	\$19.95

Source: Hotel & Leisure Advisors

Retail revenues at resorts we analyzed ranged from \$224 to \$1,063 per square foot of retail space in 2019. These 10 resorts had an overall average of \$693 per square foot and an overall average of 5,501 square feet.

We forecast retail revenue of \$1,310,000, which equals \$524.00 per square foot of retail space.

FEC/Arcade Department: We recommend the FEC have approximately 15,000 square feet and that it be adjacent to the proposed indoor waterpark facility. Other properties that we analyzed achieved gross revenue ranging between \$50 per square foot to \$225 per square foot of FEC/arcade space. We project some family members will choose to play arcade games while others are in the indoor waterpark area. We assume the subject will lease some of the arcade equipment with an outside operator. The following table outlines our analysis of the subject's FEC/arcade department revenue.

FEC Revenue				
	Amount	% of Total Revenue	\$/Avail Rm	\$/Occ Rm Night
Comparables				
Comparable 1 - 36 Indoor Waterpark Resorts	\$2,627,876	6.9%	\$6,520	\$27.73
Comparable 2 - Four Better Performing Indoor Waterparks	\$5,387,750	5.7%	\$6,157	\$24.52
CBRE Trends 2020 - Full Service Resort - 200 to 500 Rooms	-	-	-	-
HOST Report 2020 - Full Service - Resort	-	-	-	-
Average	\$4,007,813	6.3%	\$6,339	\$26.13
H&LA Forecasted First Year	\$2,292,000	5.7%	\$7,640	\$34.99
H&LA Stabilized Year 3	\$2,673,000	5.6%	\$8,910	\$34.92

Source: Hotel & Leisure Advisors

The comparables show lower revenue per occupied room partly because some reported net revenue as opposed to the gross revenue, which we projected. The industry standards do not have separate FEC/arcade departments. We project revenue of \$2,292,000 in the first year, which equals \$152.80 per square foot of FEC/arcade space.

Waterpark Revenue: We estimated revenues for the indoor waterpark, including sales from both hotel guests and day visitors interested in having birthday parties or group events.

Forecasted Indoor Waterpark Attendance and Revenue					
	2025	2026	2027	2028	2029
Proposed Destination Resort - Page County					
Subject property occupied rooms	65,498	72,816	76,546	76,546	76,546
Waterpark package occupied rooms	58,937	65,523	68,879	68,879	68,879
Forecasted attendance	253,431	281,747	296,178	296,178	296,178
Local residents and daily visitors					
Annual attendance	22,509	21,608	21,608	21,608	21,608
Average waterpark ticket price	\$57.50	\$58.94	\$60.41	\$61.92	\$63.47
Forecasted revenue	\$1,294,000	\$1,273,549	\$1,305,388	\$1,338,022	\$1,371,473
Total					
Waterpark attendance	275,940	303,356	317,786	317,786	317,786
Available capacity (1,500 / day)	547,500	547,500	547,500	547,500	547,500
Usage percentage	50.4%	55.4%	58.0%	58.0%	58.0%
Forecasted ticket revenue	\$1,294,000	\$1,274,000	\$1,305,000	\$1,338,000	\$1,371,000
Cabanas and locker rentals revenue	\$1,170,000	\$1,199,000	\$1,229,000	\$1,260,000	\$1,292,000
Total revenue	\$2,464,000	\$2,473,000	\$2,534,000	\$2,598,000	\$2,663,000
Forecasted attendance per square foot	4.6	5.1	5.3	5.3	5.3
Demand sources					
Proposed Destination Resort - Page County	91.8%	92.9%	93.2%	93.2%	93.2%
Daily visitors	8.2%	7.1%	6.8%	6.8%	6.8%
Note: Waterpark has 60,000 square feet					
Source: Hotel & Leisure Advisors					

Indoor Waterpark Revenue				
	Amount	% of Total Revenue	\$/Avail Rm	\$/Occ Rm Night
Comparables				
Comparable 1 - 36 Indoor Waterpark Resorts	\$1,528,223	4.0%	\$3,792	\$16.13
Comparable 2 - Four Better Performing Indoor Waterparks	\$3,798,791	4.0%	\$4,341	\$17.29
CBRE Trends 2020 - Full Service Resort - 200 to 500 Rooms	-	-	-	-
HOST Report 2020 - Full Service - Resort	-	-	-	-
Average	\$2,663,507	4.0%	\$4,067	\$16.71
H&LA Forecasted First Year	\$2,464,000	6.1%	\$8,213	\$37.62
H&LA Stabilized Year 3	\$2,534,000	5.3%	\$8,447	\$33.10
Source: Hotel & Leisure Advisors				

Our revenue estimate is within the range of the comparables as a total revenue amount. We note the property may be limited in its day pass sales potential due to capacity limitations.

Spa: This line item includes all income associated with the operations of the proposed 5,000 square-foot spa. The subject will earn revenue from offering spa-related services, including massages, pedicures, manicures, and haircuts. The following table outlines our analysis of the subject's spa income.

Spa Revenue				
	Amount	% of Total Revenue	\$/Avail Rm	\$/Occ Rm Night
Comparables				
Comparable 1 - 36 Indoor Waterpark Resorts	\$731,926	1.9%	\$1,816	\$7.72
Comparable 2 - Four Better Performing Indoor Waterparks	\$1,790,172	1.9%	\$2,046	\$8.15
CBRE Trends 2020 - Full Service Resort - 200 to 500 Rooms	-	-	-	-
HOST Report 2020 - Full Service - Resort	-	-	-	-
Average	\$1,261,049	1.9%	\$1,931	\$7.94
H&LA Forecasted First Year	\$875,000	2.2%	\$2,917	\$13.36
H&LA Stabilized Year 3	\$1,020,000	2.1%	\$3,400	\$13.33

Source: Hotel & Leisure Advisors

We projected spa revenue based upon our review of data from the ISPA US Spa Industry Report as well as other indoor waterpark resorts that offers spas as shown in comparables one and two.

Total Operating Revenue: The following table shows our total revenue projections compared to the selected comparables.

Total Operating Revenue				
	Amount	% of Total Revenue	\$/Avail Rm	\$/Occ Rm Night
Comparables				
Comparable 1 - 36 Indoor Waterpark Resorts	\$38,358,163	100.0%	\$95,168	\$404.82
Comparable 2 - Four Better Performing Indoor Waterparks	\$94,682,497	100.0%	\$108,209	\$430.86
CBRE Trends 2020 - Full Service Resort - 200 to 500 Rooms	\$49,420,789	100.0%	\$144,929	\$578.81
HOST Report 2020 - Full Service - Resort	\$49,162,689	100.0%	\$127,151	\$467.72
Average	\$57,906,034	100.0%	\$118,864	\$470.55
H&LA Forecasted First Year	\$40,090,000	100.0%	\$133,633	\$612.08
H&LA Stabilized Year 3	\$48,151,000	100.0%	\$160,503	\$629.05

Source: Hotel & Leisure Advisors

We analyzed statistics from the Great Wolf Resorts properties. The chain achieved an average total revenue per occupied room of \$408.39 in trailing twelve months October 2019 with the highest total revenue per occupied room for a property equaling \$503.38. Inflating these figure to 2025 equals average total revenue per occupied room of \$489.89 across all 14 properties. Our estimates for the subject are above the chain average but within range of inflated individual property performance.

Departmental Expenses

Departmental expenses are costs borne by the individual departments of a hotel and can be segmented separately.

Rooms Expenses: These expenses include items such as salaries and wages, employee benefits, other payroll-related expenses, contracted and outsourced labor, travel agent commissions, guest transportation, laundry and dry cleaning, linens, guest supplies, reservation booking fees, and uniforms. Additionally, expenses related to the rooms department that include licenses and permits, entertainment, equipment rental, operating supplies, training, and postage are allocated to this departmental expense.

Salaries, wages, and employee benefits account for a substantial portion of this category. Although payroll varies somewhat with occupancy (because management can schedule housekeepers, bell staff, and other hourly staff to work when demand requires), a higher percentage of the department's expenses are considered fixed because a hotel still must maintain staffing in all areas at all times. As a result, salaries, wages, and employee benefits are only moderately sensitive to changes in occupancy. For the purposes of our model, we considered that 45% of the expenses are fixed. Commissions represent remuneration to various booking agents including travel agents for booking rooms. Because these fees are based on a percentage of the rooms revenue, they are highly dependent on occupancy and ADR. The following table outlines our analysis of the subject's room department expenses.

Rooms Expense				
	Amount	% of Rm Revenue	\$/Avail Rm	\$/Occ Rm Night
Comparables				
Comparable 1 - 36 Indoor Waterpark Resorts	\$4,118,998	19.7%	\$10,219	\$43.47
Comparable 2 - Four Better Performing Indoor Waterparks	\$9,914,543	18.8%	\$11,331	\$45.12
CBRE Trends 2020 - Full Service Resort - 200 to 500 Rooms	\$6,313,956	24.7%	\$18,516	\$73.95
HOST Report 2020 - Full Service - Resort	\$6,612,809	25.1%	\$17,103	\$62.91
Average	\$6,740,076	22.0%	\$14,292	\$56.36
H&LA Forecasted First Year	\$4,157,000	19.0%	\$13,857	\$63.47
H&LA Stabilized Year 3	\$4,772,000	17.5%	\$15,907	\$62.34

Source: Hotel & Leisure Advisors

The indoor waterpark resort properties have rooms expense ratios as a percentage of departmental revenue lower than typical hotels as the room rate includes the indoor waterpark admission component. For the subject hotel, the waterpark revenue is included in the room revenue, and we have utilized a rooms expense within the range of the comparables as a percentage of departmental revenue.

Food and Beverage Expenses: These expenses reflect the items necessary for the operation of the restaurants, lounges, and meeting facilities within the lodging facility. Major items of expense in the food and beverage department include the cost of food and beverage, payroll, china, glassware, menus, uniforms, AV rentals, and other expenses. The following table outlines our analysis of the subject's food and beverage department expenses.

Food and Beverage Expense

	Amount	% of Dept Revenue	\$/Avail Rm	\$/Occ Rm Night
Comparables				
Comparable 1 - 36 Indoor Waterpark Resorts	\$5,574,383	66.8%	\$13,830	\$58.83
Comparable 2 - Four Better Performing Indoor Waterparks	\$12,605,314	62.5%	\$14,406	\$57.36
CBRE Trends 2020 - Full Service Resort - 200 to 500 Rooms	\$11,942,502	70.5%	\$35,022	\$139.87
HOST Report 2020 - Full Service - Resort	\$10,805,425	69.3%	\$27,946	\$102.80
Average	\$10,231,906	67.3%	\$22,801	\$89.72
H&LA Forecasted First Year	\$5,322,000	65.0%	\$17,740	\$81.25
H&LA Stabilized Year 3	\$6,110,000	64.0%	\$20,367	\$79.82

Source: Hotel & Leisure Advisors

We estimate the food and beverage expense ratio within the range of comparables as a percentage of departmental revenue.

Other Operated Departments Expenses: These expenses reflect the cost of providing a kids club, interactive games, and other small departmental expenses, including salaries and wages for any departmental employees. The following table outlines our analysis of the subject's other operated department expenses.

Other Operated Departments Expense

	Amount	% of Dept Revenue	\$/Avail Rm	\$/Occ Rm Night
Comparables				
Comparable 1 - 36 Indoor Waterpark Resorts	\$413,021	57.9%	\$1,025	\$4.36
Comparable 2 - Four Better Performing Indoor Waterparks	\$440,282	30.0%	\$503	\$2.00
CBRE Trends 2020 - Full Service Resort - 200 to 500 Rooms	\$3,289,627	61.9%	\$9,647	\$38.53
HOST Report 2020 - Full Service - Resort	\$3,208,655	78.1%	\$8,299	\$30.53
Average	\$1,837,896	57.0%	\$4,868	\$18.85
H&LA Forecasted First Year	\$354,000	45.0%	\$1,180	\$5.40
H&LA Stabilized Year 3	\$406,000	44.3%	\$1,353	\$5.30

Source: Hotel & Leisure Advisors

We project other operated departments expenses to equal 45.0% of departmental revenue in the first year of the projection, which is within the range of the waterpark comparable results.

Retail Expenses: These expenses include payroll and related benefits, cost of merchandise, and related operating expenses. The following table outlines our analysis of the subject's retail department expenses.

Retail Expense				
	Amount	% of Dept Revenue	\$/Avail Rm	\$/Occ Rm Night
Comparables				
Comparable 1 - 36 Indoor Waterpark Resorts	\$1,121,130	59.7%	\$2,782	\$11.83
Comparable 2 - Four Better Performing Indoor Waterparks	\$2,249,841	54.2%	\$2,571	\$10.24
CBRE Trends 2020 - Full Service Resort - 200 to 500 Rooms	-	-	-	-
HOST Report 2020 - Full Service - Resort	-	-	-	-
Average	\$1,685,485	57.0%	\$2,676	\$11.04
H&LA Forecasted First Year	\$720,000	55.0%	\$2,400	\$10.99
H&LA Stabilized Year 3	\$827,000	54.2%	\$2,757	\$10.80

Source: Hotel & Leisure Advisors

The industry standards do not have a separate department for retail expenses. The comparable indoor waterpark destination resort properties with retail outlets have expense ratios of between 50% and 70%. We forecast retail expenses as a percentage of departmental revenue of 55.0%.

FEC/Arcade Expenses: The expenses for the FEC assume that the subject property will lease some of the arcade machines on a revenue split with an arcade operator who will continually update arcade machines. The following table outlines our analysis of the subject's FEC department expenses.

FEC Expense				
	Amount	% of Dept Revenue	\$/Avail Rm	\$/Occ Rm Night
Comparables				
Comparable 1 - 36 Indoor Waterpark Resorts	\$877,483	33.4%	\$2,177	\$9.26
Comparable 2 - Four Better Performing Indoor Waterparks	\$1,142,542	21.2%	\$1,306	\$5.20
CBRE Trends 2020 - Full Service Resort - 200 to 500 Rooms	-	-	-	-
HOST Report 2020 - Full Service - Resort	-	-	-	-
Average	\$1,010,012	27.3%	\$1,741	\$7.23
H&LA Forecasted First Year	\$688,000	30.0%	\$2,293	\$10.50
H&LA Stabilized Year 3	\$790,000	29.6%	\$2,633	\$10.32

Source: Hotel & Leisure Advisors

The industry standards do not have a separate department for FEC expenses. FEC/arcade operations at other indoor waterparks we reviewed have expense ratios ranging from 30% to 50% of revenue. We project FEC/arcade expenses of 30.0% of FEC revenue in the first year of the analysis.

Waterpark Expenses: We projected the expenses related to the waterpark specifically concerning payroll and supplies. The expenses exclude the cost of utilities and

maintenance, which are shown under those respective categories. We analyzed the projected expenses for the indoor waterpark as shown in the following table.

Forecasted Waterpark Expenses				
Position	Number of FTE Positions	Salary	Benefit %	Total
Management	3.0	\$82,124	45%	\$357,238
Lifeguards	45.0	\$29,395	25%	\$1,653,443
Administrative	3.0	\$50,753	25%	\$190,325
Housekeeping	7.0	\$26,679	25%	\$233,443
Total	58.0	\$1,908,139	\$526,309	\$2,434,448
Average		\$32,899	28%	\$41,973
Additional waterpark payroll expenses				\$50,000
Total payroll				\$2,484,448

Source: Hotel & Leisure Advisors

The table includes the number of full-time equivalent employees we project the indoor waterpark will require. In reality, the actual number will be substantially higher because many employees will be part-time. The following table indicates the averages of the other indoor waterpark destination resorts and our projection.

Indoor Waterpark Expense				
	Amount	% of Dept Revenue	\$/Avail Rm	\$/Occ Rm Night
Comparables				
Comparable 1 - 36 Indoor Waterpark Resorts	\$2,076,131	135.9%	\$5,151	\$21.91
Comparable 2 - Four Better Performing Indoor Waterparks	\$5,438,070	143.2%	\$6,215	\$24.75
CBRE Trends 2020 - Full Service Resort - 200 to 500 Rooms	-	-	-	-
HOST Report 2020 - Full Service - Resort	-	-	-	-
Average	\$3,757,100	139.5%	\$5,683	\$23.33
H&LA Forecasted First Year	\$2,484,000	100.8%	\$8,280	\$37.92
H&LA Stabilized Year 3	\$2,828,000	111.6%	\$9,427	\$36.95

Source: Hotel & Leisure Advisors

Spa Expenses: These expenses reflect the cost of providing spa treatments, services and retail items including salaries and wages, cost of goods sold, and any other expenses. This would include commissions for the service providers. The following table outlines our analysis of the subject's spa department expenses.

Spa Expense				
	Amount	% of Dept Revenue	\$/Avail Rm	\$/Occ Rm Night
Comparables				
Comparable 1 - 36 Indoor Waterpark Resorts	\$605,086	82.7%	\$1,501	\$6.39
Comparable 2 - Four Better Performing Indoor Waterparks	\$1,438,287	80.3%	\$1,644	\$6.55
CBRE Trends 2020 - Full Service Resort - 200 to 500 Rooms	-	-	-	-
HOST Report 2020 - Full Service - Resort	-	-	-	-
Average	\$1,021,687	81.5%	\$1,572	\$6.47
H&LA Forecasted First Year	\$709,000	81.0%	\$2,363	\$10.82
H&LA Stabilized Year 3	\$814,000	79.8%	\$2,713	\$10.63

Source: Hotel & Leisure Advisors

We estimated the spa expenses within the range of the comparables as a percentage of revenue basis.

Undistributed Operating Expenses

Undistributed operating expenses are costs borne by the entire operation and are not attributable to any one specific department or profit center.

Administrative and General Expenses: This department represents expenses related to the management and administration of the property. It includes salaries and wages, employee benefits, cost of accounting and legal fees, credit card commissions, bank charges, donations, travel and entertainment, security, human resources, and administrative-related operating supplies. Most administrative and general expenses are relatively fixed, although there are variable components such as bonuses provided to management. The following table outlines our analysis of the subject's administrative and general department expenses:

Administrative & General Expense				
	Amount	% of Total Revenue	\$/Avail Rm	\$/Occ Rm Night
Comparables				
Comparable 1 - 36 Indoor Waterpark Resorts	\$2,434,018	6.3%	\$6,039	\$25.69
Comparable 2 - Four Better Performing Indoor Waterparks	\$5,134,068	5.4%	\$5,868	\$23.36
CBRE Trends 2020 - Full Service Resort - 200 to 500 Rooms	\$3,572,316	7.2%	\$10,476	\$41.84
HOST Report 2020 - Full Service - Resort	\$3,516,308	7.2%	\$9,094	\$33.45
Average	\$3,664,177	6.5%	\$7,869	\$31.09
H&LA Forecasted First Year	\$2,606,000	6.5%	\$8,687	\$39.79
H&LA Stabilized Year 3	\$2,969,000	6.2%	\$9,897	\$38.79

Source: Hotel & Leisure Advisors

We estimated this expense to be within the range of comparables as a percentage of total revenue and on a per available room basis.

Information and Telecommunications System Expenses: These expenses include phone, Internet, and other telecommunication and technology systems.

Information & Telecom Systems Expense

	Amount	% of Total Revenue	\$/Avail Rm	\$/Occ Rm Night
Comparables				
Comparable 1 - 36 Indoor Waterpark Resorts	\$469,544	1.2%	\$1,165	\$4.96
Comparable 2 - Four Better Performing Indoor Waterparks	\$1,037,979	1.1%	\$1,186	\$4.72
CBRE Trends 2020 - Full Service Resort - 200 to 500 Rooms	\$706,211	1.4%	\$2,071	\$8.27
HOST Report 2020 - Full Service - Resort	\$606,500	1.2%	\$1,569	\$5.77
Average	\$705,059	1.2%	\$1,498	\$5.93
H&LA Forecasted First Year	\$481,000	1.2%	\$1,603	\$7.34
H&LA Stabilized Year 3	\$548,000	1.1%	\$1,827	\$7.16

Source: Hotel & Leisure Advisors

We estimated this expense to be within the range of the industry standards as a percent of total revenue and on a per available room basis.

Sales and Marketing Expenses: These expenses include items related to advertising and promotion required to obtain and retain customers. Expenses include salaries and wages, employee benefits, subscriptions, operating supplies, postage, telephone, trade shows, and travel and entertainment. The department includes the costs of advertising, and miscellaneous sales and marketing expenses. We assume the property will operate as an independent resort and not be subject to franchise marketing or royalty fees. The following table outlines our analysis of the subject's marketing expenses.

Sales and Marketing/Franchise Fees Expense

	Amount	% of Total Revenue	\$/Avail Rm	\$/Occ Rm Night
Comparables				
Comparable 1 - 36 Indoor Waterpark Resorts	\$2,582,043	6.7%	\$6,406	\$27.25
Comparable 2 - Four Better Performing Indoor Waterparks	\$2,674,841	2.8%	\$3,057	\$12.17
CBRE Trends 2020 - Full Service Resort - 200 to 500 Rooms	\$3,545,718	7.2%	\$10,398	\$41.53
HOST Report 2020 - Full Service - Resort	\$3,445,495	7.0%	\$8,911	\$32.78
Average	\$3,062,024	5.9%	\$7,193	\$28.43
H&LA Forecasted First Year	\$2,606,000	6.5%	\$8,687	\$39.79
H&LA Stabilized Year 3	\$2,969,000	6.2%	\$9,897	\$38.79

Source: Hotel & Leisure Advisors

We estimated this expense to be within the range of comparables as a percentage of total revenue and on a per available room basis. We project a relatively high amount of marketing expense, which will be required to generate the level of revenues shown in this report. Our projection assumes the subject will not have a separate franchise fee. The indoor waterpark resort will require extensive billboard, television, internet, and direct-mail advertising to attract visitors.

Our first-year marketing expense does not include preopening marketing, which we assume would be included within the development budget.

Franchise Fee: Franchise fees are paid to franchise companies for the ability to utilize their name, systems and various programs. Typical franchise expenses range from 4% to 6% of rooms revenue. We did not include a franchise fee because we recommend that the subject operate as an independent resort.

Property Operation and Maintenance Expenses: These expenses include salaries and wages, employee benefits, supplies, outside contractors, painting and decorating, carpentry, garbage removal, engineering supplies, uniforms, and other costs associated with maintaining the physical structure. A majority of these expenses are fixed since they are required to maintain the building. The following table outlines our analysis of the subject's maintenance expenses.

Prop. Oper. & Maintenance Expense				
	Amount	% of Total Revenue	\$/Avail Rm	\$/Occ Rm Night
Comparables				
Comparable 1 - 36 Indoor Waterpark Resorts	\$1,487,746	3.9%	\$3,691	\$15.70
Comparable 2 - Four Better Performing Indoor Waterparks	\$2,876,984	3.0%	\$3,288	\$13.09
CBRE Trends 2020 - Full Service Resort - 200 to 500 Rooms	\$2,190,925	4.4%	\$6,425	\$25.66
HOST Report 2020 - Full Service - Resort	\$1,960,273	4.0%	\$5,070	\$18.65
Average	\$2,128,982	3.8%	\$4,619	\$18.28
H&LA Forecasted First Year	\$1,262,700	3.1%	\$4,209	\$19.28
H&LA Stabilized Year 3	\$1,599,000	3.3%	\$5,330	\$20.89

Source: Hotel & Leisure Advisors

We estimated this expense to be within the range of comparables as a percentage of total revenue and on a per available room basis.

Utilities Expenses: These represent expenditures for electricity, heating, fuel, water, waste removal, and related operating supplies. A large portion of a lodging facility's energy consumption is relatively fixed. All public areas must be continually lit and climate-controlled regardless of occupancy. The following table outlines our analysis of the subject's energy expenses.

Utilities Expense				
	Amount	% of Total Revenue	\$/Avail Rm	\$/Occ Rm Night
Comparables				
Comparable 1 - 36 Indoor Waterpark Resorts	\$1,445,812	3.8%	\$3,587	\$15.26
Comparable 2 - Four Better Performing Indoor Waterparks	\$2,751,121	2.9%	\$3,144	\$12.52
CBRE Trends 2020 - Full Service Resort - 200 to 500 Rooms	\$1,447,886	2.9%	\$4,246	\$16.96
HOST Report 2020 - Full Service - Resort	\$1,355,478	2.8%	\$3,506	\$12.90
Average	\$1,750,074	3.1%	\$3,621	\$14.41
H&LA Forecasted First Year	\$1,403,000	3.5%	\$4,677	\$21.42
H&LA Stabilized Year 3	\$1,599,000	3.3%	\$5,330	\$20.89

Source: Hotel & Leisure Advisors

Our estimate considers that the subject waterpark will be kept at approximately 85 degrees Fahrenheit year-round. Our estimate is above the industry standards because it includes costs related to the waterpark. We estimated this expense to be within the

range of comparables as a percentage of total revenue and on a per available room basis. Our estimate does not incorporate potential energy savings that a LEED certification may provide.

Management Fee: Our projection of the subject hotel's income and expenses assumes competent management by a professional company with fees structured at market rates. Although some companies provide their own management for hotels, they typically will charge the property for management services. Management fees typically range between 2% to 4% of total revenue for full-service hotels and 3% to 5% for limited-service hotels. The following table outlines our analysis of the subject's management fee expenses.

Management Fees				
	Amount	% of Total Revenue	\$/Avail Rm	\$/Occ Rm Night
Comparables				
Comparable 1 - 36 Indoor Waterpark Resorts	\$1,602,613	4.2%	\$3,976	\$16.91
Comparable 2 - Four Better Performing Indoor Waterparks	\$2,906,753	3.1%	\$3,322	\$13.23
CBRE Trends 2020 - Full Service Resort - 200 to 500 Rooms	\$1,687,950	3.4%	\$4,950	\$19.77
HOST Report 2020 - Full Service - Resort	\$1,661,420	3.4%	\$4,297	\$15.81
Average	\$1,964,684	3.5%	\$4,136	\$16.43
H&LA Forecasted First Year	\$1,203,000	3.0%	\$4,010	\$18.37
H&LA Stabilized Year 3	\$1,445,000	3.0%	\$4,817	\$18.88

Source: Hotel & Leisure Advisors

We estimate this expense to be 3.0% of total revenue throughout the analysis period based upon current industry standards.

Income Before Non-Operating Expenses: The following table shows income before non-operating expenses of the subject and comparable properties.

Income Before Non-Operating Expenses				
	Amount	% of Total Revenue	\$/Avail Rm	\$/Occ Rm Night
Comparables				
Comparable 1 - 36 Indoor Waterpark Resorts	\$13,550,155	35.3%	\$33,618	\$143.00
Comparable 2 - Four Better Performing Indoor Waterparks	\$44,071,871	46.5%	\$50,368	\$200.55
CBRE Trends 2020 - Full Service Resort - 200 to 500 Rooms	\$14,723,698	29.8%	\$43,178	\$172.44
HOST Report 2020 - Full Service - Resort	\$15,990,325	32.5%	\$41,356	\$152.13
Average	\$22,084,012	36.0%	\$42,130	\$167.03
H&LA Forecasted First Year	\$16,094,300	40.1%	\$53,648	\$245.72
H&LA Stabilized Year 3	\$20,475,000	42.5%	\$68,250	\$267.49

Source: Hotel & Leisure Advisors

Non-Operating Expenses

Non-operating expenses include any expenses that relate to the ownership of the hotel, including property taxes, buildings and contents insurance, reserve for replacement, and any applicable land, building, or equipment rental.

Real Estate and Personal Property Taxes: These taxes are comprised of real estate and personal property taxes. Our study assumes that the subject property will pay real estate taxes to Page County. We estimated real estate taxes of 3% of total revenue since details concerning the project have not been identified to establish a property assessment. We acknowledge that this calculation will change depending upon how the governmental authorities assess the project. The following table indicates our real estate tax projections.

Property Tax Expense				
	Amount	% of Total Revenue	\$/Avail Rm	\$/Occ Rm Night
Comparables				
Comparable 1 - 36 Indoor Waterpark Resorts	\$1,026,020	2.7%	\$2,546	\$10.83
Comparable 2 - Four Better Performing Indoor Waterparks	\$2,220,306	2.3%	\$2,537	\$10.10
CBRE Trends 2020 - Full Service Resort - 200 to 500 Rooms	\$920,359	1.9%	\$2,699	\$10.78
HOST Report 2020 - Full Service - Resort	\$1,239,174	2.5%	\$3,205	\$11.79
Average	\$1,351,465	2.4%	\$2,747	\$10.88
H&LA Forecasted First Year	\$1,203,000	3.0%	\$4,010	\$18.37
H&LA Stabilized Year 3	\$1,264,000	2.6%	\$4,213	\$16.51

Source: Hotel & Leisure Advisors

Building and Property Insurance: The insurance expense category includes the cost of insuring the building and its contents against damage or destruction. The insurance expense includes property and liability insurance. Over the past several years insurance costs for hotels have fluctuated dramatically depending upon claims and natural disasters. The following table outlines our analysis of the subject's insurance expenses.

Insurance Expense				
	Amount	% of Total Revenue	\$/Avail Rm	\$/Occ Rm Night
Comparables				
Comparable 1 - 36 Indoor Waterpark Resorts	\$416,483	1.1%	\$1,033	\$4.40
Comparable 2 - Four Better Performing Indoor Waterparks	\$1,188,471	1.3%	\$1,358	\$5.41
CBRE Trends 2020 - Full Service Resort - 200 to 500 Rooms	\$698,027	1.4%	\$2,047	\$8.18
HOST Report 2020 - Full Service - Resort	\$562,746	1.1%	\$1,455	\$5.35
Average	\$716,432	1.2%	\$1,474	\$5.83
H&LA Forecasted First Year	\$481,000	1.2%	\$1,603	\$7.34
H&LA Stabilized Year 3	\$505,000	1.0%	\$1,683	\$6.60

Source: Hotel & Leisure Advisors

We estimated this expense to be within the range of comparables as a percentage of total revenue and on a per available room basis. Our assumption incorporates the fact that the subject will have a waterpark, which requires additional liability insurance.

Reserve for Replacement: Furniture, fixtures, and equipment (FF&E) are essential to the operation of a lodging facility, and their quality often influences the class of a property. Included in this category are all non-real estate items that are normally capitalized, not expensed. Most hotels account for replacement of FF&E by establishing a fund commonly referred to as a reserve for replacement, which is generally funded from a hotel's cash flow. In theory, a sufficient amount of money is available to replace FF&E at the end of its useful life. A recent study by the International Society of Hospitality Consultants indicated that the traditional 3% reserve is lower than what most hotels they surveyed actually spent over historical periods. The survey indicated that the expense should be between 4% and 5% of total revenues. We estimated this reserve to equal 2.0% of total sales in the first year of operation, increasing to 3.0% in the second year, and 4.0% in year three and beyond. The 4.0% replacement reserve is in keeping with industry guidelines for a hotel the subject's size and volume of operation.

Inflation: The assumed 2.5% per annum rate of inflation for the analysis is derived by a review of historical increase to the Consumer Price Index (CPI) and various inflation forecasts by the Federal Reserve Bank, Livingston Survey, and U.S. Congressional Budget Office. The following table presents a historical analysis of the Consumer Price Index.

U.S. Consumer Price Index		
Year	CPI	% Change
2000	172.200	
2001	177.100	2.85%
2002	179.900	1.58%
2003	184.000	2.28%
2004	188.900	2.66%
2005	195.300	3.39%
2006	201.600	3.23%
2007	207.300	2.83%
2008	215.303	3.86%
2009	214.537	-0.36%
2010	218.056	1.64%
2011	224.939	3.16%
2012	229.594	2.07%
2013	232.957	1.46%
2014	236.736	1.62%
2015	237.017	0.12%
2016	240.007	1.26%
2017	245.120	2.13%
2018	251.107	2.44%
2019	255.657	1.81%
2020	258.811	1.23%
2021	270.97	4.70%
Average		2.19%

Source: Hotel & Leisure Advisors

The table shows the average growth rate since 2000. However, based upon our review of various economic forecasts, we project a 2.5% per annum rate of inflation is realistic. To the extent that actual rates differ from this percentage, the estimates would have to be

adjusted. All revenue and expense items were first calculated in 2025 dollars. A 2.5% growth rate was applied to all revenue and expenses with the exception of ADR which has been increased by a higher rate in the first two years of the analysis.

PROSPECTIVE FINANCIAL ANALYSIS IN INFLATED DOLLARS

The following forecasts of income and expenses reflect the subject's anticipated performance for calendar years beginning 2025. We project that the subject's operations will stabilize in the third year, and all income and expense items will increase thereafter at the underlying inflation rate of 2.5%. We note that departmental expense ratios are expressed as a percentage of departmental revenues. All other expense ratios are expressed as a percentage of total revenues. We presented rounded figures to the nearest thousand.

Proposed Destination Resort - Luray, Virginia Financial Analysis

E-20

Forecasted Financial Performance

Proposed Destination Resort - Page County

	2025 - First Year				2026 - First +1				2027 - First +2				2028 - First +3			
	300	66.5%	\$345.69	365	300	66.5%	\$345.69	365	300	66.5%	\$345.69	365	300	66.5%	\$345.69	365
	Occupancy	66.5%	\$345.69	365	Occupancy	66.5%	\$345.69	365	Occupancy	66.5%	\$345.69	365	Occupancy	66.5%	\$345.69	365
	Average Rate	66.5%	\$345.69	365	Average Rate	66.5%	\$345.69	365	Average Rate	66.5%	\$345.69	365	Average Rate	66.5%	\$345.69	365
	Days Open	66.5%	\$345.69	365	Days Open	66.5%	\$345.69	365	Days Open	66.5%	\$345.69	365	Days Open	66.5%	\$345.69	365
	Occupied Room Nights	66.5%	\$345.69	365	Occupied Room Nights	66.5%	\$345.69	365	Occupied Room Nights	66.5%	\$345.69	365	Occupied Room Nights	66.5%	\$345.69	365
	Available Room Nights	66.5%	\$345.69	365	Available Room Nights	66.5%	\$345.69	365	Available Room Nights	66.5%	\$345.69	365	Available Room Nights	66.5%	\$345.69	365
	\$ (000)				\$ (000)				\$ (000)				\$ (000)			
	%	\$/Avail Rm	\$/Occ Rm Night	%	\$/Avail Rm	\$/Occ Rm Night	%	\$/Avail Rm	\$/Occ Rm Night	%	\$/Avail Rm	\$/Occ Rm Night	%	\$/Avail Rm	\$/Occ Rm Night	%
Revenues																
Rooms	21,876	54.6%	472,920	433.99	21,876	54.6%	472,920	433.99	21,876	54.6%	472,920	433.99	21,876	54.6%	472,920	433.99
Food and Beverage	8,187	20.4%	27,290	125.00	8,187	20.4%	27,290	125.00	8,187	20.4%	27,290	125.00	8,187	20.4%	27,290	125.00
Other Operated Departments	786	2.0%	2,620	12.00	786	2.0%	2,620	12.00	786	2.0%	2,620	12.00	786	2.0%	2,620	12.00
Miscellaneous Income (Net)	2,300	5.7%	7,667	35.12	2,300	5.7%	7,667	35.12	2,300	5.7%	7,667	35.12	2,300	5.7%	7,667	35.12
Retail	1,310	3.3%	4,367	20.00	1,310	3.3%	4,367	20.00	1,310	3.3%	4,367	20.00	1,310	3.3%	4,367	20.00
FEC	2,292	5.7%	7,640	34.99	2,292	5.7%	7,640	34.99	2,292	5.7%	7,640	34.99	2,292	5.7%	7,640	34.99
Indoor Waterpark	2,464	6.1%	8,213	37.62	2,464	6.1%	8,213	37.62	2,464	6.1%	8,213	37.62	2,464	6.1%	8,213	37.62
Spa	875	2.2%	2,917	13.36	875	2.2%	2,917	13.36	875	2.2%	2,917	13.36	875	2.2%	2,917	13.36
Total Operating Revenue	40,090	100.0%	133,633	612.08	40,090	100.0%	133,633	612.08	40,090	100.0%	133,633	612.08	40,090	100.0%	133,633	612.08
Departmental Expenses																
Rooms	4,157	19.0%	13,857	63.47	4,157	19.0%	13,857	63.47	4,157	19.0%	13,857	63.47	4,157	19.0%	13,857	63.47
Food and Beverage	5,322	65.0%	17,740	81.25	5,322	65.0%	17,740	81.25	5,322	65.0%	17,740	81.25	5,322	65.0%	17,740	81.25
Other Operated Departments	354	45.0%	1,180	5.40	354	45.0%	1,180	5.40	354	45.0%	1,180	5.40	354	45.0%	1,180	5.40
Retail	720	55.0%	2,400	10.99	720	55.0%	2,400	10.99	720	55.0%	2,400	10.99	720	55.0%	2,400	10.99
FEC	688	30.0%	2,293	10.50	688	30.0%	2,293	10.50	688	30.0%	2,293	10.50	688	30.0%	2,293	10.50
Indoor Waterpark	2,484	100.8%	8,280	37.92	2,484	100.8%	8,280	37.92	2,484	100.8%	8,280	37.92	2,484	100.8%	8,280	37.92
Spa	709	81.0%	2,363	10.82	709	81.0%	2,363	10.82	709	81.0%	2,363	10.82	709	81.0%	2,363	10.82
Total Departmental Expenses	14,434	36.0%	48,113	220.37	14,434	36.0%	48,113	220.37	14,434	36.0%	48,113	220.37	14,434	36.0%	48,113	220.37
Total Departmental Profit	25,656	64.0%	85,520	391.71	25,656	64.0%	85,520	391.71	25,656	64.0%	85,520	391.71	25,656	64.0%	85,520	391.71
Undistributed Operating Expenses																
Administrative & General	2,606	6.5%	8,687	39.79	2,606	6.5%	8,687	39.79	2,606	6.5%	8,687	39.79	2,606	6.5%	8,687	39.79
Information & Telecom Systems	481	1.2%	1,603	7.34	481	1.2%	1,603	7.34	481	1.2%	1,603	7.34	481	1.2%	1,603	7.34
Sales and Marketing/Franchise Fees	2,606	6.5%	8,687	39.79	2,606	6.5%	8,687	39.79	2,606	6.5%	8,687	39.79	2,606	6.5%	8,687	39.79
Prop. Oper. & Maintenance	1,263	3.1%	4,209	19.28	1,263	3.1%	4,209	19.28	1,263	3.1%	4,209	19.28	1,263	3.1%	4,209	19.28
Utilities	1,403	3.5%	4,677	21.42	1,403	3.5%	4,677	21.42	1,403	3.5%	4,677	21.42	1,403	3.5%	4,677	21.42
Total Undistributed Oper. Expenses	8,359	20.8%	27,862	127.62	8,359	20.8%	27,862	127.62	8,359	20.8%	27,862	127.62	8,359	20.8%	27,862	127.62
Gross Operating Profit	17,297	43.1%	57,658	264.09	17,297	43.1%	57,658	264.09	17,297	43.1%	57,658	264.09	17,297	43.1%	57,658	264.09
Management Fees	1,203	3.0%	4,010	18.37	1,203	3.0%	4,010	18.37	1,203	3.0%	4,010	18.37	1,203	3.0%	4,010	18.37
Income Before Non-Oper. Expenses	16,094	40.1%	53,648	245.72	16,094	40.1%	53,648	245.72	16,094	40.1%	53,648	245.72	16,094	40.1%	53,648	245.72
Non-Operating Expenses																
Property Tax	1,203	3.0%	4,010	18.37	1,203	3.0%	4,010	18.37	1,203	3.0%	4,010	18.37	1,203	3.0%	4,010	18.37
Insurance	481	1.2%	1,603	7.34	481	1.2%	1,603	7.34	481	1.2%	1,603	7.34	481	1.2%	1,603	7.34
Reserve for Replacement	802	2.0%	2,673	12.24	802	2.0%	2,673	12.24	802	2.0%	2,673	12.24	802	2.0%	2,673	12.24
Total Non-Operating Expenses	2,486	6.2%	8,287	37.96	2,486	6.2%	8,287	37.96	2,486	6.2%	8,287	37.96	2,486	6.2%	8,287	37.96
Net Income/EBITDA Less Reserve	\$13,608	33.9%	\$45,361	\$ 207.77	\$13,608	33.9%	\$45,361	\$ 207.77	\$13,608	33.9%	\$45,361	\$ 207.77	\$13,608	33.9%	\$45,361	\$ 207.77
Source: Hotel & Leisure Advisors																

Proposed Destination Resort - Luray, Virginia Financial Analysis

E-21

Forecasted Financial Performance

Proposed Destination Resort - Page County

	2029 - First +4				2030 - First +5				2031 - First +6				2032 - First +7			
	300	%	\$/Occ Rm Night	\$/Avail Rm	300	%	\$/Occ Rm Night	\$/Avail Rm	300	%	\$/Occ Rm Night	\$/Avail Rm	300	%	\$/Occ Rm Night	\$/Avail Rm
Available Rooms	300				300				300				300			
Occupancy	69.9%				69.9%				69.9%				69.9%			
Average Rate	\$374.09				\$383.44				\$393.02				\$402.85			
Days Open	365				365				365				365			
Occupied Room Nights	76,546				76,546				76,546				76,546			
Available Room Nights	109,500				109,500				109,500				109,500			
	\$ (000)				\$ (000)				\$ (000)				\$ (000)			
Revenues																
Rooms	\$28,635	56.6%	\$95,450	\$374.09	\$29,351	56.6%	\$97,837	\$383.44	\$30,084	56.6%	\$100,280	\$393.02	\$30,837	56.6%	\$102,790	\$402.86
Food and Beverage	10,028	19.8%	33,427	131.01	10,279	19.8%	34,263	134.29	10,536	19.8%	35,120	137.64	10,799	19.8%	35,997	141.08
Other Operated Departments	963	1.9%	3,210	12.58	987	1.9%	3,290	12.89	1,011	1.9%	3,370	13.21	1,037	1.9%	3,457	13.55
Miscellaneous Income (Net)	2,817	5.6%	9,390	36.80	2,888	5.6%	9,627	37.73	2,960	5.6%	9,867	38.67	3,034	5.6%	10,113	39.64
Retail	1,604	3.2%	5,347	20.95	1,645	3.2%	5,483	21.49	1,686	3.2%	5,620	22.03	1,728	3.2%	5,760	22.57
FEC	2,808	5.6%	9,360	36.68	2,878	5.5%	9,593	37.60	2,950	5.6%	9,833	38.54	3,024	5.6%	10,080	39.51
Indoor Waterpark	2,663	5.3%	8,877	34.79	2,730	5.3%	9,099	35.66	2,798	5.3%	9,326	36.55	2,868	5.3%	9,559	37.46
Spa	1,072	2.1%	3,573	14.00	1,099	2.1%	3,663	14.36	1,126	2.1%	3,753	14.71	1,154	2.1%	3,847	15.08
Total Operating Revenue	50,590	100.0%	168,633	660.91	51,857	100.0%	172,855	677.46	53,151	100.0%	177,169	694.37	54,481	100.0%	181,603	711.74
Departmental Expenses																
Rooms	5,014	17.5%	16,713	65.50	5,139	17.5%	17,130	67.14	5,267	17.5%	17,557	68.81	5,399	17.5%	17,997	70.53
Food and Beverage	6,419	64.0%	21,397	83.86	6,580	64.0%	21,933	85.96	6,744	64.0%	22,480	88.10	6,913	64.0%	23,043	90.31
Other Operated Departments	427	44.3%	1,423	5.58	437	44.3%	1,457	5.71	448	44.3%	1,493	5.85	459	44.3%	1,530	6.00
Retail	869	54.2%	2,897	11.35	891	54.2%	2,970	11.64	913	54.2%	3,043	11.93	936	54.2%	3,120	12.23
FEC	830	29.6%	2,767	10.84	850	29.5%	2,833	11.10	872	29.6%	2,907	11.39	893	29.5%	2,977	11.67
Indoor Waterpark	2,971	111.6%	9,903	38.61	3,045	111.6%	10,150	39.78	3,122	111.6%	10,407	40.79	3,200	111.6%	10,667	41.81
Spa	855	79.8%	2,850	11.17	876	79.7%	2,920	11.44	898	79.8%	2,993	11.73	921	79.8%	3,070	12.03
Total Departmental Expenses	17,385	34.4%	57,950	227.12	17,818	34.4%	59,393	232.78	18,264	34.4%	60,880	238.60	18,721	34.4%	62,403	244.57
Total Departmental Profit	33,205	65.6%	110,683	433.79	34,039	65.6%	113,462	444.68	34,887	65.6%	116,289	455.76	35,760	65.6%	119,199	467.17
Undistributed Operating Expenses																
Administrative & General	3,119	6.2%	10,397	40.75	3,197	6.2%	10,657	41.77	3,277	6.2%	10,923	42.81	3,359	6.2%	11,197	43.88
Information & Telecom Systems	576	1.1%	1,920	7.52	590	1.1%	1,967	7.71	605	1.1%	2,017	7.90	620	1.1%	2,067	8.10
Sales and Marketing/Franchise Fees	3,119	6.2%	10,397	40.75	3,197	6.2%	10,657	41.77	3,277	6.2%	10,923	42.81	3,359	6.2%	11,197	43.88
Prop. Oper. & Maintenance	1,679	3.3%	5,597	21.93	1,721	3.3%	5,737	22.48	1,764	3.3%	5,880	23.05	1,809	3.3%	6,030	23.63
Utilities	1,679	3.3%	5,597	21.93	1,721	3.3%	5,737	22.48	1,764	3.3%	5,880	23.05	1,809	3.3%	6,030	23.63
Total Undistributed Oper. Expenses	10,172	20.1%	33,907	132.89	10,426	20.1%	34,753	136.21	10,687	20.1%	35,623	139.62	10,956	20.1%	36,520	143.13
Gross Operating Profit	23,033	45.5%	76,777	300.90	23,613	45.5%	78,709	308.48	24,200	45.5%	80,666	316.15	24,804	45.5%	82,679	324.04
Management Fees	1,518	3.0%	5,060	19.83	1,556	3.0%	5,187	20.33	1,595	3.0%	5,317	20.84	1,634	3.0%	5,447	21.35
Income Before Non-Oper. Expenses	21,515	42.5%	71,717	281.07	22,057	42.5%	73,522	288.15	22,605	42.5%	75,349	295.31	23,170	42.5%	77,233	302.69
Non-Operating Expenses																
Property Tax	1,328	2.6%	4,427	17.35	1,361	2.6%	4,537	17.78	1,395	2.6%	4,650	18.22	1,430	2.6%	4,767	18.68
Insurance	531	1.0%	1,770	6.94	544	1.0%	1,813	7.11	558	1.0%	1,860	7.29	572	1.0%	1,907	7.47
Reserve for Replacement	2,024	4.0%	6,747	26.44	2,074	4.0%	6,913	27.09	2,126	4.0%	7,087	27.77	2,179	4.0%	7,263	28.47
Total Non-Operating Expenses	3,883	7.7%	12,943	50.73	3,979	7.7%	13,263	51.98	4,079	7.7%	13,597	53.29	4,181	7.7%	13,937	54.62
Net Income/EBITDA Less Reserve	\$17,632	34.9%	\$58,773	\$ 230.35	\$18,078	34.9%	\$60,259	\$ 236.17	\$18,526	34.9%	\$61,753	\$ 242.02	\$18,989	34.9%	\$63,296	\$ 248.07

Source: Hotel & Leisure Advisors

Forecasted Financial Performance

Proposed Destination Resort - Page County

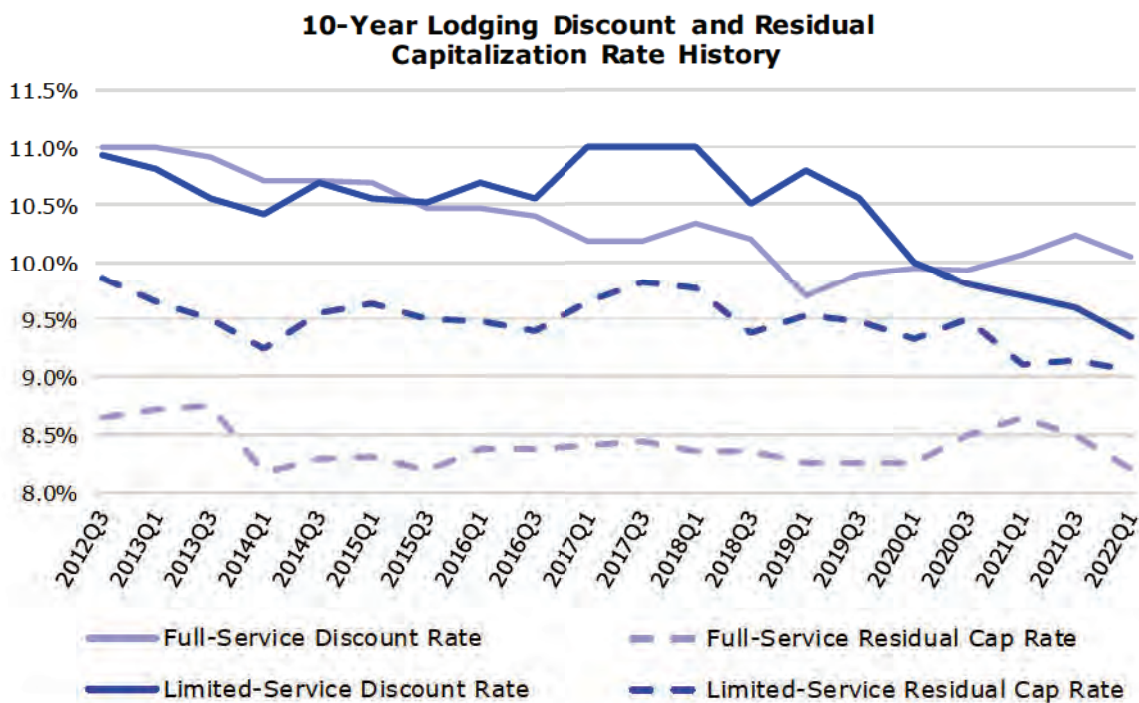
	2033 - First +8				2034 - First +9				2035 - First +10			
	300	69.9%	\$ (000)	\$/Avail Rm	300	69.9%	\$ (000)	\$/Occ Rm	300	69.9%	\$ (000)	\$/Occ Rm
		%		Night		%		Night		%		Night
Available Rooms	300				300				300			
Occupancy	69.9%				69.9%				69.9%			
Average Rate	\$412.92				\$423.24				\$433.83			
Days Open	365				365				365			
Occupied Room Nights	76,546				76,546				76,546			
Available Room Nights	109,500				109,500				109,500			
	\$ (000)	%		\$/Avail Rm	\$ (000)	%		\$/Occ Rm	\$ (000)	%		\$/Occ Rm
				Night				Night				Night
Revenues												
Rooms	\$31,607	56.6%	\$105,357	\$412.92	\$32,398	56.6%	\$107,993	\$423.25	\$33,208	56.6%	\$110,693	\$433.83
Food and Beverage	11,069	19.8%	36,897	144.61	11,346	19.8%	37,820	148.22	11,629	19.8%	38,763	151.92
Other Operated Departments	1,063	1.9%	3,543	13.89	1,089	1.9%	3,630	14.23	1,116	1.9%	3,720	14.58
Miscellaneous Income (Net)	3,110	5.6%	10,367	40.63	3,187	5.6%	10,623	41.64	3,267	5.6%	10,890	42.68
Retail	1,771	3.2%	5,903	23.14	1,815	3.2%	6,050	23.71	1,861	3.2%	6,203	24.31
PEC	3,099	5.5%	10,330	40.49	3,177	5.5%	10,590	41.50	3,256	5.5%	10,853	42.54
Indoor Waterpark	2,939	5.3%	9,798	38.40	3,013	5.3%	10,043	39.36	3,088	5.3%	10,294	40.35
Spa	1,183	2.1%	3,943	15.45	1,213	2.1%	4,043	15.85	1,243	2.1%	4,143	16.24
Total Operating Revenue	55,841	100.0%	186,138	729.52	57,238	100.0%	190,793	747.76	58,668	100.0%	195,561	766.45
Departmental Expenses												
Rooms	5,534	17.5%	18,447	72.30	5,672	17.5%	18,907	74.10	5,814	17.5%	19,380	75.95
Food and Beverage	7,086	64.0%	23,620	92.57	7,263	64.0%	24,210	94.88	7,444	64.0%	24,813	97.25
Other Operated Departments	471	44.3%	1,570	6.15	483	44.4%	1,610	6.31	495	44.4%	1,650	6.47
Retail	959	54.2%	3,197	12.53	983	54.2%	3,277	12.84	1,008	54.2%	3,360	13.17
PEC	916	29.6%	3,053	11.97	939	29.6%	3,130	12.27	962	29.6%	3,207	12.57
Indoor Waterpark	3,280	111.6%	10,933	42.85	3,362	111.6%	11,207	43.92	3,446	111.6%	11,487	45.02
Spa	944	79.8%	3,147	12.33	967	79.7%	3,223	12.63	991	79.7%	3,303	12.95
Total Departmental Expenses	19,190	34.4%	63,967	250.70	19,669	34.4%	65,863	256.96	20,160	34.4%	67,200	263.37
Total Departmental Profit	36,651	65.6%	122,172	478.82	37,569	65.6%	125,230	490.80	38,508	65.6%	128,361	503.07
Undistributed Operating Expenses												
Administrative & General	3,443	6.2%	11,477	44.98	3,529	6.2%	11,763	46.10	3,617	6.2%	12,057	47.25
Information & Telecom Systems	636	1.1%	2,120	8.31	651	1.1%	2,170	8.50	668	1.1%	2,227	8.73
Sales and Marketing/Franchise Fees	3,443	6.2%	11,477	44.98	3,529	6.2%	11,763	46.10	3,617	6.2%	12,057	47.25
Prop. Oper. & Maintenance	1,854	3.3%	6,180	24.22	1,900	3.3%	6,333	24.82	1,948	3.3%	6,493	25.45
Utilities	1,854	3.3%	6,180	24.22	1,900	3.3%	6,333	24.82	1,948	3.3%	6,493	25.45
Total Undistributed Oper. Expenses	11,230	20.1%	37,433	146.71	11,509	20.1%	38,363	150.35	11,798	20.1%	39,327	154.13
Gross Operating Profit	25,421	45.5%	84,738	332.11	26,060	45.5%	86,866	340.45	26,710	45.5%	89,034	348.94
Management Fees	1,675	3.0%	5,583	21.88	1,717	3.0%	5,723	22.43	1,760	3.0%	5,867	22.99
Income Before Non-Oper. Expenses	23,746	42.5%	79,155	310.23	24,343	42.5%	81,143	318.02	24,950	42.5%	83,168	325.95
Non-Operating Expenses												
Property Tax	1,465	2.6%	4,883	19.14	1,502	2.6%	5,007	19.62	1,540	2.6%	5,133	20.12
Insurance	586	1.0%	1,953	7.66	601	1.1%	2,003	7.85	616	1.0%	2,053	8.05
Reserve for Replacement	2,234	4.0%	7,447	29.19	2,290	4.0%	7,633	29.92	2,347	4.0%	7,823	30.66
Total Non-Operating Expenses	4,285	7.7%	14,283	55.98	4,393	7.7%	14,643	57.39	4,503	7.7%	15,010	58.83
Net Income/EBITDA Less Reserve	\$19,461	34.9%	\$64,872	\$ 254.25	\$19,950	34.9%	\$66,500	\$ 260.63	\$20,447	34.9%	\$68,158	\$ 267.12

Source: Hotel & Leisure Advisors

FEASIBILITY ANALYSIS

The economic value of a proposed hospitality property is calculated through a discounted cash flow analysis. This analysis utilizes the property's projected net income before debt service (EBITDA) and applies a discount rate and terminal capitalization rate to determine the valuation. This is a common method utilized in a formal appraisal process. Present value, also called discounted value, is the current worth of the future sum of money or stream of cash flow given a specified rate of return. The discount rate is the average annual rate of return necessary to attract capital based upon the overall investment characteristics. The terminal capitalization rate is applied to a future year's net income to calculate a potential sale price for the property in the future.

We analyzed historical trends in full-service and limited-service hotel residual capitalization and discount rates. The following chart indicates the results over a 10-year period as taken from the PwC and Korpacz Real Estate Investor Surveys.



Source: PwC Investor Surveys

We analyzed the potential value for the hotel or resort utilizing a 11.0% discount rate and a 9.0% terminal capitalization rate. The following table indicates the discounted cash flow analysis utilizing these rates and the previously presented financial projections.

Discounted Cash Flow Analysis - As Completed

Proposed Destination Resort - Page County

Cash flow at discount rate of 11.0%

	Net Income		P.V. Factor		Present Value
2025	\$13,608,000	x	0.9009	=	\$12,259,459
2026	\$15,728,000	x	0.8116	=	\$12,765,198
2027	\$16,780,000	x	0.7312	=	\$12,269,391
2028	\$17,200,000	x	0.6587	=	\$11,330,173
2029	\$17,632,000	x	0.5935	=	\$10,463,734
2030	\$18,078,000	x	0.5346	=	\$9,665,237
2031	\$18,526,000	x	0.4817	=	\$8,923,204
2032	\$18,989,000	x	0.4339	=	\$8,239,830
2033	\$19,461,000	x	0.3909	=	\$7,607,787
2034	\$19,950,000	x	0.3522	=	\$7,026,080

Present value of cash flow **\$100,550,093**

Reversionary benefit

Net income for 2035	\$20,447,000
Divided by reversion overall rate	9.0%
Gross reversion	\$227,188,889
Less cost of sale at 2.0%	\$4,543,778
Net reversion	\$222,645,111
Value per room	\$742,150

Present value of reversion **\$78,412,152**

Market Value

PV from cash flow	\$100,550,093
PV from reversion	\$78,412,152
Market value as of 1/1/2025	\$178,962,246

Rounded market value **\$179,000,000**

Valuation factors

Price per room	\$596,667
% of value from cash flow	56.2%
% of value from reversion	43.8%

Source: Hotel & Leisure Advisors

The model indicates a value of \$179,000,000 as completed or \$596,667 per available hotel room (300 rooms).

We also analyzed the potential value for the hotel "as stabilized" utilizing a 11.0% discount rate and a 9.0% terminal capitalization rate. The following table indicates the discounted cash flow analysis utilizing these rates and the previously presented financial projections for the subject "as stabilized."

Discounted Cash Flow Analysis - As Stabilized

Proposed Destination Resort - Page County

Cash flow at discount rate of 11.0%

	Net Income		P.V. Factor		Present Value
2027	\$16,780,000	x	0.9009	=	\$15,117,117
2028	\$17,200,000	x	0.8116	=	\$13,959,906
2029	\$17,632,000	x	0.7312	=	\$12,892,366
2030	\$18,078,000	x	0.6587	=	\$11,908,539
2031	\$18,526,000	x	0.5935	=	\$10,994,279
2032	\$18,989,000	x	0.5346	=	\$10,152,295
2033	\$19,461,000	x	0.4817	=	\$9,373,554
2034	\$19,950,000	x	0.4339	=	\$8,656,834
2035	\$20,447,000	x	0.3909	=	\$7,993,239
2036	\$20,961,000	x	0.3522	=	\$7,382,139

Present value of cash flow **\$108,430,268**

Reversionary benefit

Net income for 2037	\$21,485,000
Divided by reversion overall rate	9.0%
Gross reversion	\$238,722,222
Less cost of sale at 2.0%	\$4,774,444
Net reversion	\$233,947,778
Value per room	\$779,826

Present value of reversion **\$82,392,776**

Market Value

PV from cash flow	\$108,430,268
PV from reversion	\$82,392,776
Market value as of 1/1/2027	\$190,823,044

Rounded market value **\$190,800,000**

Valuation factors

Price per room	\$636,000
% of value from cash flow	56.8%
% of value from reversion	43.2%

Source: Hotel & Leisure Advisors

The valuation indicates a conclusion of \$190,800,000 as stabilized or \$636,000 per available hotel room.

Comparison of Value Created to Projected Costs

A key component of a feasibility study is to determine whether the projected value created as shown from the discounted cash flow analysis equals or exceeds the development cost for the proposed project. Our feasibility study presented the projected value created after performing a detailed analysis of the market, projected usage, and financial analysis. In some cases, the feasibility study will not have the detailed costs available, and this conclusion will be determined after the client has cost estimates

performed by building contractors and architects. In other cases, the client has already performed estimates of construction costs, and the feasibility study will present these estimates and compare the value created to the development costs to determine if the project is feasible. Determining the sources and uses of funds is outside the scope of this study.

In the case of the subject property, a development plan has not yet been selected. Our analysis indicates that the development costs for the proposed property are projected to range from \$500,000 to \$600,000 per room and will be within the range of the value created by the property indicating the project is feasible. However, the subject may require municipal incentives in the form of a property tax abatement or assistance with infrastructure costs to provide sufficient incentive for a developer to go ahead with the project.

We note that the value conclusion is not meant to be market value because there are still many unknowns concerning the subject project. Rather, it is presented as an analysis of value utilizing typical parameters performed in the income capitalization approach for an appraisal. In addition, sufficient development cost details were not available concerning the construction costs, site improvement costs, or municipal subsidies for the proposed project.

We are available to perform additional analysis on the subject as additional information is obtained.

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Joseph Pierce, MAI made a personal inspection of the subject market. David J. Sangree, MAI, ISHC has visited the market on previous assignments.
- Kyle Mossman provided significant real property appraisal or appraisal consulting assistance to the person signing this certification.
- As of the date of this report, David J. Sangree, MAI, ISHC and Joseph Pierce, MAI have completed the continuing education program of Designated Members of the Appraisal Institute.



David J. Sangree, MAI, ISHC
President



Joseph Pierce, MAI
Director of Appraisal & Consulting Services

ADDENDUM I



HOTEL & LEISURE ADVISORS



hladvisors.com

Cleveland, Ohio 216-228-7000 • San Antonio, Texas 210-319-5440
Corporate Headquarters: 14805 Detroit Avenue, Suite 420, Cleveland, Ohio 44107

H&LA

HOTELS & RESORTS



WHY HOTEL & LEISURE ADVISORS?

Our extensive background in hotel operations and consulting gives H&LA the experience and financial acumen necessary to analyze all brands and types of hotel and lodging properties.

We have consulted on every major hotel brand and understand the unique challenges these hospitality properties face. We evaluate complex factors and approach each project with a unique perspective of what needs to be accomplished to ensure success.

OUR EXPERTISE

- Since 2005, H&LA has studied every major hotel brand in the United States.
- H&LA has completed more than 3,000 studies for hotels, resorts, and leisure properties across North America and Internationally.
- We have contacts with industry leaders and keep up on the latest trends, performance, challenges, and opportunities.
- Our consultants are experts in the lodging and hospitality industry, with over 150 combined years of consulting, operations, and research experience.
- Our dedicated research and support staff assist our consultants in bringing the best quality reports to our clients.
- Our consultants network with industry leaders by attending and/or presenting at leading industry conferences such as the Hunter Hotel Conference, The Lodging Conference, ISHC Conference, ALIS Conference, World Waterpark Association Symposium and Tradeshow, IAAPA Attractions Expo, the NYU International Hospitality Industry Investment Conference, and InfoComm

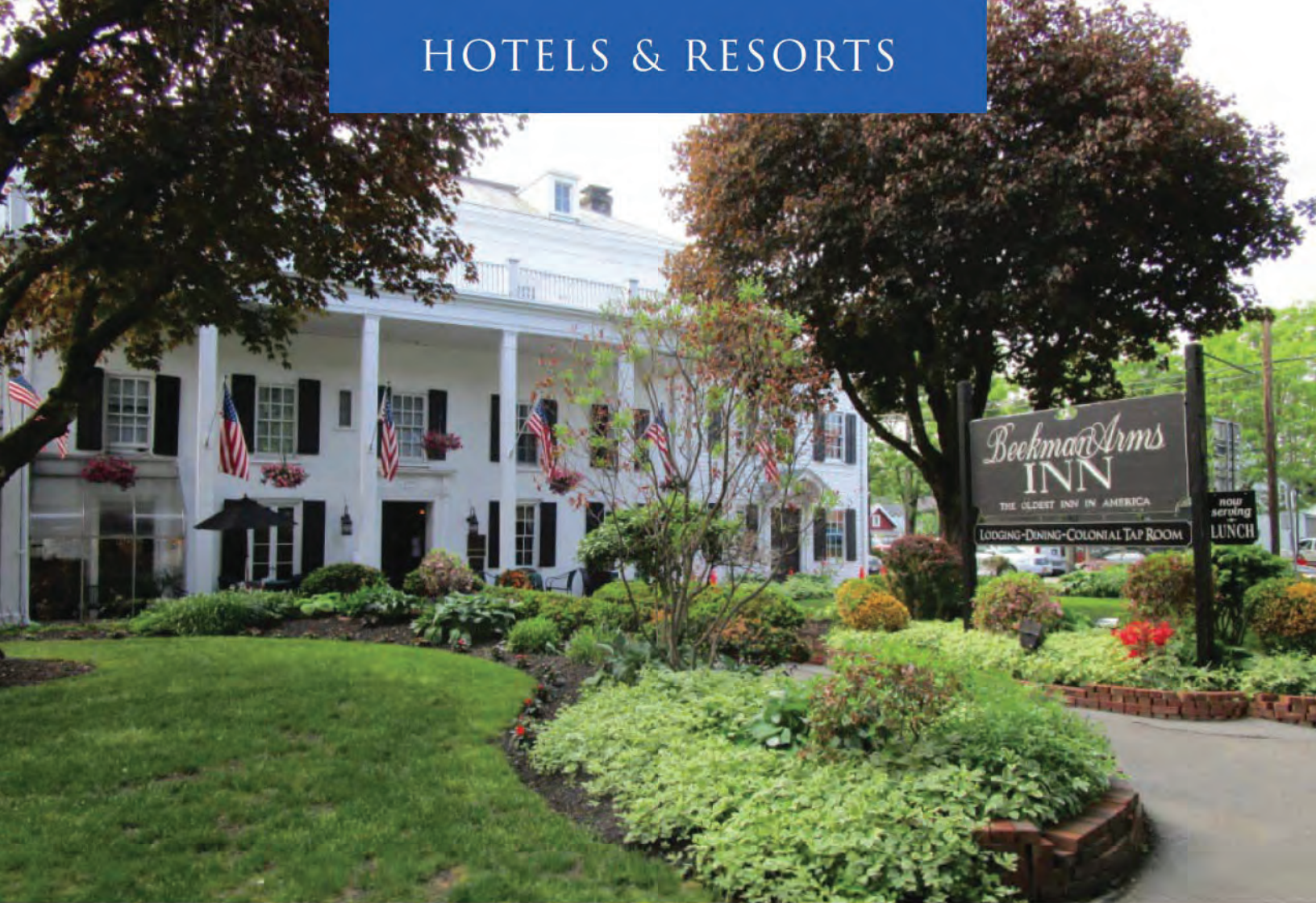
OUR RESOURCES

We curate and maintain robust and updated hospitality and leisure industry data for use in our reports. We have a financial statements database of over 1,000 properties and sales database of over 10,000 sales from across the United States and Canada.

We regularly consult leading industry experts and reports from:

- | | |
|---|--|
| • CBRE Hotels | • International Society of Hospitality Consultants |
| • STR | • International Association of Amusement Parks and Attractions |
| • Lodging Econometrics | • National Association of RV Parks & Campgrounds |
| • American Resort Development Association | • World Waterpark Association |
| • PwC | |
| • International Spa Association | |
| • CoStar | |

HOTELS & RESORTS



OUR PROJECTS

We give our clients individualized attention and provide the very best and most thorough analysis that only a company with our expertise and knowledge can deliver. Our expertise includes the following lodging property types:

- Limited-service hotels
- Select-service hotels
- Full-service hotels
- All-suite hotels
- Extended-stay hotels
- Resorts
- Condominium hotels
- Timeshare resorts
- Spa hotels
- Fractional resorts
- RV parks and resorts
- Campground resorts
- Waterpark resorts
- Casino resorts
- Boutique Hotels/Resorts
- Convention Center Hotels

MARKET & FINANCIAL FEASIBILITY STUDY

WHAT H&LA PROVIDES

- A sophisticated hospitality feasibility model that provides a detailed market analysis and assists our consultants in making credible financial projections
- Expertise from years of experience and education in the hospitality and consulting industries from our dedicated consultants and support staff
- Expert data generated from STR, ISHC, and other hospitality industry data centers and reports



WHAT TO EXPECT FROM A FEASIBILITY ANALYSIS

- Market Analysis
- Site Review
- Brand Franchise Analysis
- Usage Levels
- Development Costs
- Financial Analysis
- Valuation Analysis
- Cost-to-Value Ratio

We analyze market conditions, economic and demographic factors, site conditions, and their effects on a proposed project. H&LA completes a detailed analysis of comparable properties' performance and conditions. The study estimates the operating performance of the project and may suggest variations in size or scope that would improve performance.

We analyze supply and demand when researching performance of hotels and leisure real estate within local and regional markets. We utilize a sophisticated hospitality valuation model that provides a detailed market analysis by evaluating competitive factors, comparable financial information, and comparisons with similar properties and industry standards. We forecast reasonable financial projections and discern a credible valuation to determine if the project is feasible considering the development costs.

The results of our analysis are high-quality, thorough market and financial feasibility studies that are insightful and well-researched. Our clients can utilize our reports in the process of obtaining financing or investors and as a tool to help determine whether to move forward with development.

"Your report was incredible, and we are using it constantly! It will be a critical element in the construction of our project. Best and most thorough report that we have had the pleasure to see in our careers."

-Rick, Grand Prairie Park, Arts & Recreation Department

APPRAISAL AND MARKET ANALYSIS REPORT

WHAT H&LA PROVIDES

- A sophisticated hospitality valuation model that provides a detailed market analysis and aids our consultants in concluding to a credible and defensible opinion of value
- The expertise of MAI-designated and state-certified hospitality appraisers with years of experience
- Expert data generated from STR, CBRE, and other hospitality industry data centers and reports



WHAT TO EXPECT FROM AN APPRAISAL REPORT

- Area Review
- Local Hotel Market Analysis
- Occupancy and ADR Analysis
- Highest and Best Use Analysis
- Income Capitalization Approach
- Sales Comparison Approach
- Cost Approach
- Reconciled Opinion of Value

H&LA has multiple state licensed appraisers. Two of our appraisers boast the MAI designation from the Appraisal Institute. An appraiser with the MAI designation exceeds the state certification and licensing required of all appraisers. When you hire an MAI, you receive the services of a professional with specialized training and experience in the appraisal industry who adheres to specific standards and ethics and must fulfill continuing education requirements.

H&LA appraisals value the going-concern of a hotel or resort property and then allocate that value among the real estate, personal property, and any business value component that may exist. Our reports are available in either a comprehensive or a summary format.

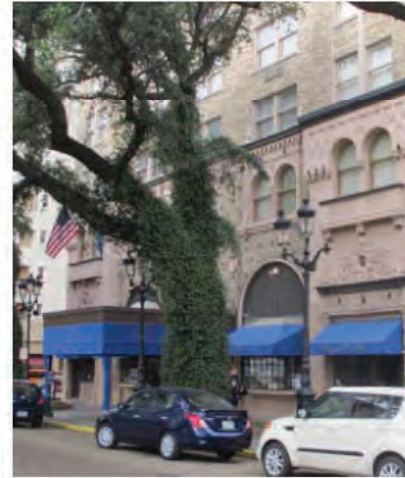
H&LA also offers retrospective tax appeal appraisals, a specialized form of an appraisal that is completed for a tax assessment appeal by either the government or the property owner to determine the real estate market value. Among the appraisal services we offer, we also provide appraisal reviews.

"We appreciate all the assistance you gave us on this matter.
Your excellent appraisals helped us reach a good compromise settlement of this case."
-Richard, Fayette County Attorney's Office

ECONOMIC IMPACT STUDIES

WHAT H&LA PROVIDES

- A sophisticated economic impact and financial model that provides detailed analysis of future economic benefit from a proposed development
- Expertise of consultants with a variety of qualifications including, MAI, CPA, ISHC, and MBA
- Expert data from RIMS and other sources



WHAT TO EXPECT FROM AN ECONOMIC IMPACT STUDY

- Indirect and direct output from the proposed development
- The number of jobs that the proposed development will create
- Estimated tax revenue for city, county, and state/province

An economic impact study analyzes the financial impact a project will have throughout the many levels of the economy. This impact will include both temporary and permanent effects. Temporary impacts include jobs and revenues created during the construction of the facility and related costs. Permanent economic impacts are generated by jobs created, and ongoing revenues realized by service providers.

Our studies identify significant economic events resulting from the construction and operation of a proposed facility; consider event patron surveys to estimate spending patterns; analyze relevant municipal revenues; and project the impact on the market. We estimate three types of economic impact, including Direct-Effect Impact, Indirect or Induced Impact, and Final Impact on local economies. We utilize the RIMS II multipliers for output earnings and employment by industry for the county.

We calculate the projected jobs and output for the proposed development for a 10-year period. We calculate projected tax revenue from all sources and profile municipal incentives similar projects have received. The economic impact study is an essential tool for cities looking to publicly fund a project or for developers vying for municipal incentives.

"Everyone I've spoken to thinks very highly of you and your work. I think we're making a lot of good decisions with this project but the best so far has been hiring you. We sincerely appreciate the work you're doing."

-Justin, New Lion

OPERATIONAL REVIEWS

We prepare an operational analysis and review of an existing hotel or leisure property to determine areas that are performing well and those in need of improvements. This study will find opportunity at the property to enhance performance, streamline operations, and reevaluate revenue centers. Our report considers:

- Objective and subjective performance characteristics observed during our property inspection and interviews with property management and clients, management of comparable properties, and city and county officials
- Financial review analyzing all major departments and comparing the performance of the subject property with industry standards and our database of over 1,000 hotel financial statements
- Analysis and recommendations of operational changes and renovations or capital improvements that should be completed at the property

BRAND IMPACT STUDIES

An impact analysis measures the financial impact of a brand-affiliated property entering a market in which the brand already exists. We have prepared impact studies for nearly all major hotel brands. Our impact analyses include:

- Interviewing representatives of the applicant and objecting properties and conducting an area market review
- Determining current demand at the objecting property and consider specific demand sources that may switch to a new property if it were constructed or rebranded
- Analyzing potential additional demand that would come to the objecting property from having another brand affiliation in a general market
- Estimating the occupancy, average daily rate, and room revenue impact that may occur from the addition of new supply or conversion of an existing hotel

RFQ PREPARATION AND SOLICITATION

Finding a qualified management or hotel development company can make or break a hotel or resort development. Through our RFQ preparation and solicitation process, we assist our clients in identifying appropriate management companies and developers for all types of hospitality projects. Our goal is to have our clients receive proposals from competent and competitive companies that will share similar goals and vision for the project.

LITIGATION SUPPORT & EXPERT WITNESS TESTIMONY

H&LA provides expert witness testimony for attorneys in litigation cases involving hospitality industry valuations and consulting assignments. Our consultants have testified in various states concerning hotel- and hospitality-related projects. Our understanding of the industry gives us the credibility necessary to be considered experts in our field.

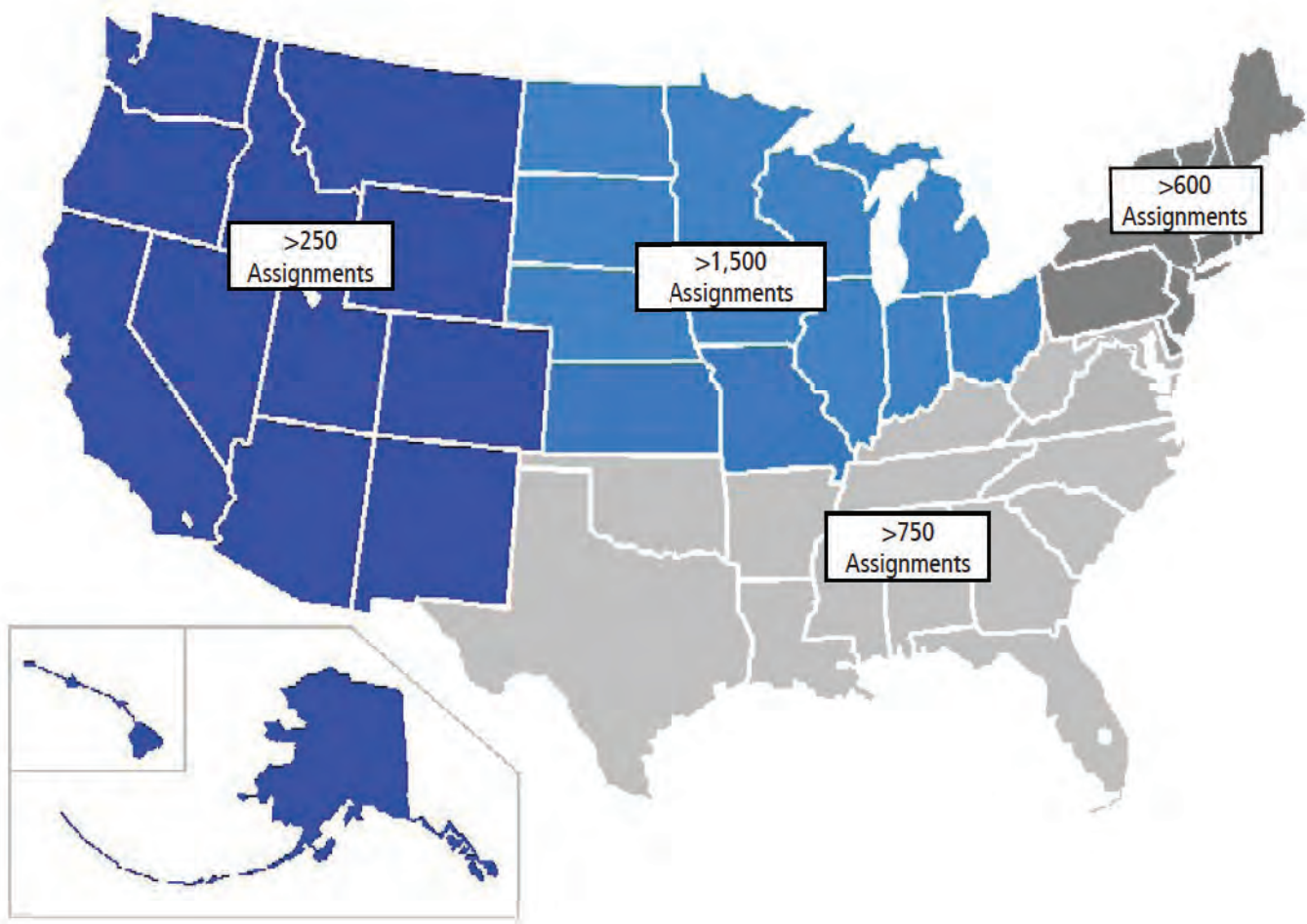
OTHER H&LA SERVICES

- Renovation Feasibility and ROI Analysis
- Site Selection Services
- Hotel Brand Facilitator/Selection Assistance
- Hotel Brand Compliance Services
- Site Verification

These services help developers, corporate brand franchisors, and/or owners with their various development needs.

H&LA PROJECTS

Our studies have taken us all across the United States and Canada. We have analyzed an extensive range of property types with a particular emphasis on hotels and waterparks. We have completed studies in almost every major market in the United States.



H&LA works in all sectors of the hotel and lodging industry. We have experience with all hotel brands and chain scales. In addition, we have worked on independent hotels, indoor waterpark resorts, campgrounds, casino resorts, and time-shares. These properties represent a sampling of the many property types we have studied.

All-Suite Hotels

- Sheraton Suites - Cuyahoga Falls, OH
- SpringHill Suites - Sarasota, FL
- Embassy Suites - Murfreesboro, TN
- Cambria Suites - Green Bay, WI

Extended Stay Hotels

- TownePlace Suites - Ann Arbor, MI
- Extended Stay America - Orange, OH
- Value Place Hotel - Columbus, OH
- Residence Inn - Austin, TX

Resort Hotels

- Pointe Hilton Squaw Peak Resort - Phoenix, AZ
- The Shores Resort & Spa - Daytona Beach FL
- Andaz by Hyatt - Palm Springs, CA
- Hilton Hawaiian Village - Honolulu, HI

Waterpark Resort

- Great Wolf Lodge Resorts (multiple locations)
- Kalahari Resorts (4 locations)
- Splash Lagoon Resort - Erie, PA
- Camelback Indoor Waterpark Resort - Tannersville, PA
- Wilderness at the Smokies - Sevierville, TN

Full-Service Hotels

- Hyatt Regency - Rosemont, IL
- Intercontinental Hotel - Boston, MA
- Marriott Hotel at Key Center - Cleveland, OH
- Shoreham Hotel - New York, NY

Limited-Service Hotels

- Best Western - Dallas, TX
- Holiday Inn Express - St. Louis, MO
- Comfort Inn - Sandy Springs, GA
- Hampton Inn - Erie, PA

Condominium/Timeshare/Fractional

- Proposed Condominiums - Newport, OR
- Proposed Timeshare Resort - Palm Springs, CA
- Chula Vista Resort - Wisconsin Dells, WI

Campground/RV Resort

- Jellystone Park Camp Resort - Larkspur, CO
- Frontiertown Campground Resort - Berlin, MD
- Maddox Family Campground - Chincoteague, VA
- Sunset Beach RV Park - Cape Charles, VA

Casino Hotels

- Foxwoods Casino Resort - Mashantucket, CT
- Spirit Mountain Lodge - Grand Ronde, OR
- Silver Reef Casino Resort - Ferndale, WA
- Wheeling Island Casino and Hotel - Wheeling, WV

Conference and Convention Center Hotels

- Marriott Chicago Downtown - Chicago, IL
- Proposed Hotel & Conference Center - Green Bay, WI
- Gaylord Opryland Convention Center - Nashville, TN
- Valley Forge Convention Center - Valley Forge, PA



H&LA CLIENTS

H&LA works with a wide range of developers, investors, hotel companies, lenders, management companies, attorneys, and others. These clients represent a sampling of the various client types we serve.

Developers and Investors

- Scott Enterprises
- Delaware North Companies
- Kalahari Resorts
- Sun Communities
- Stark Enterprises
- CNL Lifestyle Companies
- Triple Five
- Crystal Lagoons

Hotel Companies

- Best Western International
- Choice Hotels International
- Marriott International
- Host Hotels
- InterContinental Hotels Group

Management Companies

- Herschend Family Entertainment
- Cedar Fair
- Great Wolf Resorts
- American Hospitality Group
- Brittain Resorts
- Gaylord Entertainment

Lenders

- Wells Fargo
- US Bank
- Deutsche Bank
- M&T Bank
- PNC Financial Services
- C-III Asset Management

Attorneys

- Kadish Hinkel & Weibel
- Sleggs Danzinger & Gill
- Smith Peters & Kalail
- Baker & Hostetler
- Thompson Hine
- McDonald Hopkins

Government/Municipal/

- Ohio Department of Transportation
- Cincinnati USA
- Columbus Regional Airport Authority
- States Attorney of Cook County
- Frisco Economic Development Corporation
- Destination Cleveland
- Assessor of Hancock County, WV

Native American Tribes

- Tulalip Tribe
- Choctaw Nation of Oklahoma
- Nottawaseppi Band of Potawatomi
- The Confederated Tribe of the Grand Ronde
- HoChunk Gaming

Other

- JACK Entertainment
- EPR Properties
- The Trust for Public Land
- Six Flags
- Michigan State University
- Inland Capital Management

DAVID J. SANGREE, MAI, CPA, ISHC

PRESIDENT

Contact

dsangree@hladvisors.com
216-810-5800

Education

Bachelor of Science, Hotel Administration, Cornell University, 1984
Various International Society of Hospitality Consultants, Appraisal Institute, & Certified Public Accountant (CPA) continuing education courses

State Certification

Certified as a General Real Estate Appraiser in the states of Ohio, Michigan, Illinois, New York, Kentucky, Texas, Pennsylvania, and Wisconsin.
Certified as a Public Accountant in the state of Ohio

Professional Affiliations

- Appraisal Institute, MAI (Former President, Northern Ohio Chapter)
- Cornell Hotel Society (Past Treasurer - Chicago, IL chapter)
- Cornell University Real Estate Council
- International Association of Amusement Parks and Attractions
- International Society of Hospitality Consultants
- National Ski Areas Association
- The School of Hospitality Business at MSU Real Estate & Development Advisory Council
- The Appraisal Journal Review Panel
- Themed Entertainment Association
- Urban Land Institute
- World Waterpark Association
- National Association of RV Parks and Campgrounds

Experience

- President, Hotel & Leisure Advisors, Cleveland, Ohio, since 2005
- Director of Hospitality Consulting & Principal, US Realty Consultants, Cleveland, Ohio, 2001-2005
- Director of Hospitality Consulting, US Realty Consultants, Columbus, Ohio, 1992-2001
- Financial & Training Consultant, Malawi National Credit Union League (US Peace Corps), Malawi, Africa, 1989-1991
- Senior Consultant in the Hospitality Group, Pannell Kerr Forster, Chicago, Illinois, 1987-1989
- Management positions with four Westin Hotels and Resorts in Cincinnati, Chicago, New York, and Fort Lauderdale, 1983-1987

David's expertise is in the feasibility analysis, appraisal, and valuation of hotels, resorts, indoor waterpark resorts, waterparks, amusement parks, conference centers, ski resorts, casinos, land, and golf courses. He has completed studies on more than 3,000 existing and proposed properties in 49 states and internationally. He has prepared hotel studies on all chain scales, including economy, limited service, full-service, extended-stay, upper upscale, luxury, and resorts, and indoor waterpark resorts.

David is a nationally recognized expert in the waterpark industry, having completed over 700 studies of various waterpark resorts since 1999 and visiting most of the open waterpark properties in the United States and Canada. Recognizing David as an industry leader, Aquatics International named him to their "Power People" list of the most influential people in the aquatics industry in 2019 and the World Waterpark Association honored him with their Executive Board Award in 2016. These awards signified David's commitment to the waterpark industry and identified him as helping to shape some of the latest trends. He has appeared on Good Morning America, CNBC, and Fox8 News in segments concerning hotels, resorts and waterparks. In addition, he is a regular contributor to many industry publications, offering his expertise on various hospitality industry segments.

Published Articles and Media Relations

- "What's Next for Waterparks?," World Waterpark Association, April, 2021
- "COVID-19 Impact on U.S. Waterparks," Hotel Online, August 2020
- "Hotel Feasibility Study Methodology," July 2020
- "Waterpark Financing Fundamentals," World Waterpark Association, June 2020
- "U.S. and Canada Waterpark Resort Trends in 2020," World Waterpark Magazine, Hotel Online, April 2020
- "Diving into Waterpark Growth Trends in 2019," World Waterpark Magazine, Hotel Online, April 2019
- "Waterparks: What's on Deck on 2018?," World Waterpark Magazine, Hotel Online, April 2018
- "2017 Waterpark Forecast: Continued Growth," World Waterpark Magazine, Hotel Online, April 2017
- "2016's Waterpark Forecast: Bigger is Better," Hotel News Now, World Waterpark Magazine, March 2016
- "2015 Indoor and Outdoor Waterpark Supply Continues Growth as Surf Simulators Take Center Wave," Hotel News Now, April 2015
- "2014 Waterpark Resorts Supply and Demand Update" Hotel News Now, March 2014
- "Room Service more than Revenue Generator" Hotel News Now, August 2013
- "Waterpark Resorts Supply and Demand 2013 Update" Hotel Online, January 2013
- "Weight Loss Resorts are Boon for Developers" Hotel News Now, August 2012
- "Perform Market Analysis with a Feasibility Study for Indoor Waterpark Resorts and Outdoor Waterparks" Appraisal Journal Spring 2012 and WWA Development Guide
- "Top 10 Largest Hotel Brands Average Sale Prices" Hotel News Now, September 2011
- "Waterpark Resorts Supply and Demand 2011 Update" Hotel News Now, August 2011
- "The Lodging Market is Improving in Ohio's Big Cities" Hotel Online, September 2010
- "Financing your Indoor Waterpark Resort in 2010" Hotel News Now, June 2010
- "2009 Median Hotel Prices Plummet – Is it Time to Appeal Your Property Taxes?" Hotel Online, November 2009
- "Outdoor Waterparks: Private vs. Municipal" Aquatics International, September, 2009
- "Indoor Waterpark Resort Supply Grows and Faces Challenges in 2009" Hotel News Now February, 2009
- "Dealing With the Economic Downturn: 10 Ideas for Hotels and Resorts" Hotel Online, December, 2008
- "Indoor Waterparks Surfing a Wave in North America in '08," Hotel Online, July 2008 and Water Leisure and Lodging, July, 2008
- "Economic Impact Studies Help Land Financing" Hotel Motel Management, May 2008
- "Appraisal & Market Analysis of Indoor Waterpark Resorts," Waterpark Development & Expansion Guide '07
- "Indoor Waterparks and Hotels, a Case Study," Hotel Investment Issues and Perspectives Fourth Edition, January 2006 & Hotel Online, February, 2006

Quoted extensively in CNN.com, Columbus Business First, Columbus Monthly, Hotel Business, Columbus Dispatch, Cleveland Crain's, Cleveland Plain Dealer, Cincinnati Business Courier, Hotel News Now, Cornell Hotel and Restaurant Quarterly, Meeting News, Aquatics International, Midwest Real Estate News, New York Times, CNBC, Albany Times Union, RCI Ventures, Time Magazine, USA Today, and other publications. He has appeared on CNBC and ABC on segments concerning resorts and waterparks.

Speaking Engagements

- "Water Parks: Impact from COVID-19 Pandemic in 2020 and Recovery in 2021", IAAPA Expo, 2021
- "U.S. Waterpark and Waterpark Resort Trends," 2020 World Waterpark Association Symposium, Virtual
- "Waterpark Resorts Market/Feasibility Analysis and Appraisal" presentations at the World Waterpark Association annual conventions in 2003 through 2021
- "Global Valuation," International Society of Hospitality Consultants webinar, 2020 and 2021
- "Virtual Reality Entertainment in Hotels," InfoComm 2019, Orlando, FL
- "Hotel Valuation Techniques," Institute for Professionals in Taxation Annual Symposium, 2018, Orlando, FL
- "Ohio Lodging Overview," Ohio Hotel & Lodging Association Annual Meeting, 2017, Columbus, OH
- "Hotels & Waterpark Industry – Insights, Trends and Valuation Keys" May 2016 at the Appraisal Day Seminar by the International Right-of-Way Association, Columbus, OH
- "Revenue Management-to Do List" Nov. 2014 at NATHIC Hotel Investment Seminar, Chicago, IL
- "The Food Revolution" Nov. 2013 for NATHIC Hotel Investment Seminar, Chicago, IL
- "Waterparks and Resorts Outlook" April 2013 for Aquatics International webinar
- "Hotel Valuation Seminar" October 2012 at the Integra Realty Resources appraiser training, Las Vegas, NV
- "Suburban Hotels Panel" July 2012 at the Midwest Lodging Investors Summit in Chicago, IL
- "Overview of Cleveland Lodging Market" April 2012 at the OHLA Cleveland Lodging Council Meeting
- "Cleaning up Hotel Distress" July 2011 at the Midwest Lodging Investors Summit, Chicago, IL
- "Valuation Issues Affecting Hotel Properties in the Current Real Estate Economy" August 2010 at the Institute for Professionals in Taxation in Cleveland, OH
- "Indoor Waterpark Resorts: Where Are the Opportunities?" July 2010 at the Midwest Lodging Investors Summit, Chicago, IL
- "Opportunities for Innovation" April 2010 at the Cornell University School of Hotel Administration's Hotel Ezra Cornell (HEC) conference, Ithaca, NY
- "Case Study Presentation on Performing a Market Feasibility Study" October 2009 at the International Society of Hospitality Consultants annual conference, Québec City
- "Insights into 2010 Market Performance" October 2009 - a video segment on Hotel News Network interviewing Mr. Sangree along with other leading ISHC consultants
- "Hotel Financing Track - Taking Advantage of Distress: Where are the Opportunities?," July 2009 at the Midwest Lodging Investors Summit, Chicago, IL
- "Seminar on Hospitality Industry" February 2008 at the Northern Ohio Chapter of the Appraisal Institute quarterly meeting, Cleveland, OH
- "Challenges of Obtaining Financing for Indoor Waterpark Resorts," November 2007 at the World Resort Leadership and Development Conference, Orlando, FL
- "Water Park Wars" An in depth news segment on Good Morning America on June 23, 2007
- Guest Speaker at Cornell University's School of Hotel Administration and Michigan State University's School of Hospitality Business, 2006-2017

Litigation Assignments Involving Expert Testimony

Board of Revision, Summit County (2021)
Re: Sheraton Suites, Cuyahoga Falls; Doubletree,
and Hilton Hotel, Fairlawn, Ohio

Board of Revision of Hamilton County, Ohio (2020)
Re: Cincinnati Hotel

Board of Revision of Cuyahoga County (2020)
Re: Hampton Inn Brooklyn, Ohio

Board of Revision of Cuyahoga County (2019)
Re: Doubletree Cleveland, Ohio

Board of Revision of Medina County (2019)
Re: Fairfield Inn & Suites, Medina, Ohio

District Court of Moore County (2018)
Re: Holiday Inn Express, Dumas, Texas

Ohio Board of Tax Appeals & BOR (2018, 2015 &
2013) Re: Thistledown Racetrack, Warrensville
Heights, Ohio

Boone County Board of Revision (2015)
Turfway Park, Florence, Kentucky

Lancaster County Common Pleas Court (2014)
Re: Sight & Sound Theater, Strasburg, PA

Sauk County Circuit Court (2014)
Re: Great Wolf Lodge Wisconsin Dells

Somerset County Common Pleas Court (2013)
Re: Hidden Valley Resort, Somerset, PA

Ohio Board of Tax Appeals (2013)
Re: Shoreby Club, Bratenahl, Ohio

Ohio Board of Tax Appeals (2013)
Re: Maui Sands Hotel, Sandusky, Ohio

Hamilton County Board of Revision (2012)
Re: Five Seasons Country Club, Cincinnati, Ohio

Cuyahoga County Board of Revision (2012)
Re: 3 McDonald's Restaurants

U.S. Bankruptcy Court (2012)
Re: Holiday Inn Express Houston, Texas

Franklin County Board of Revision (2012)
Re: Hilton Garden Inn & Comfort Suites Columbus,
Ohio

State of Tennessee Administrative Court (2012)
Re: Embassy Suites Murfreesboro, Tennessee

Clark County District Court (2012)
Re: Stallion Mountain Country Club, Las Vegas,
Nevada

State of Michigan Tribunal (2011)
Re: Radisson Hotel, Kalamazoo, Michigan

Franklin County Board of Revision (2011)
Re: Sheraton Suites, Columbus, Ohio

NE Tax Equalization & Review Commission (2011)
Re: LaVista Conference Center, LaVista, Nebraska

State of Virginia Circuit Court (2011)
Re: Keswick Club, Charlottesville, Virginia

Licking County Board of Revision (2010)
Re: Cherry Valley Lodge and CoCo Key Indoor
Waterpark, Newark, Ohio

Ohio Board of Tax Appeals (2010)
Re: Doubletree Hotel, Independence, Ohio

Ohio Board of Tax Appeals (2010)
Re: Courtyard Hotel, Willoughby, Ohio

San Diego Superior Court (2010)
Re: La Costa Resort and Spa, Carlsbad, California

Board of Revisions Tax Appeal (2010)
Re: Crowne Plaza and Fairfield Inn, Sharonville,
Ohio

United States Bankruptcy Court (2010)
Re: Peek 'n Peak Resort, Findley Lake, New York

Board of Review Tax Appeal, Lake Delton,
Wisconsin (2009)
Re: Great Wolf Lodge Wisconsin Dells

Board of Revisions Tax Appeal (2008)
Re: Residence Inn, Cleveland, Ohio

Marion County Indiana Superior Court (2008)
Re: Indiana Stadium and Convention Building
Authority vs. Michael A. Maio

New York Supreme Court, Niagara County (2008)
Re: Splash Outdoor Waterpark

State of Virginia Circuit Court (2005 and 2008)
Re: Keswick Club, Charlottesville, Virginia

Board of Revision Tax Appeal (2006)
Re: Five Seasons Country Club, Cincinnati, Ohio

Board of Revision Tax Appeals (2005)
Re: Various Residence Inns, Hilton Garden Inn,
Embassy Suites, Cuyahoga County, Ohio

United States Bankruptcy Court (2004)
Re: Days Inn, Monroeville, Pennsylvania

State of Florida Circuit Court (2004)
Re: Howard Johnson Plaza, Orlando, Florida

Board of Revision Tax Appeal (2003)
Re: Preston Hotel, Sharonville, Ohio

College Park Holdings, LLC versus RaceTrac
Petroleum, Inc. (2002)
Re: Radisson Hotel-Old National Highway, College
Park, Georgia

Board of Revision Tax Appeal (2003)
Re: Radisson Gateway Hotel, Cleveland, Ohio

Nationwide Insurance versus Motor Inn, (2003)
Re: Drawbridge Inn, Fort Mitchell, Kentucky

JOSEPH PIERCE, MAI

DIRECTOR OF APPRAISAL & CONSULTING SERVICES

Contact

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216-810-5803

Education

Master of Business Administration in Hospitality Management, Michigan State University
Bachelor of Science in Accounting, State University of New York at Brockport
Completed requirements and passed exam to be Certified Public Accountant
Completed requirements and passed exam to achieve the Appraisal Institute's MAI designation

State Certification

Holds license as a Certified General Real Estate Appraiser in the State of Ohio, Illinois, Indiana, Michigan, and Pennsylvania

Professional Affiliations

- Appraisal Institute, MAI Designated Member
- Michigan State University Alumni Association
- Hospitality Financial and Technology Professionals
- World Waterpark Association
- Ohio Travel Association
- National Ski Areas Association
- National Golf Foundation
- Turnaround Management Association
- National Association of RV Parks and Campgrounds

Experience

- Director of Appraisal & Consulting Services, Hotel & Leisure Advisors, Cleveland, Ohio – Present (previous positions at H&LA include Project Manager, Senior Associate, and Associate)
- Associate, US Realty Consultants, Cleveland, Ohio
- Controller, Clarion Hotel Cleveland Airport West, Cleveland, Ohio
- Director of Finance and Accounting, Renaissance Cleveland Hotel, Cleveland, Ohio
- Director of Finance and Accounting, South Bend Marriott, South Bend, Indiana
- General Manager and Controller, The Talbott Hotel, Chicago, Illinois
- Assistant Controller and Cost Analyst, Westin Hotels, Rosemont, Illinois and Detroit, Michigan

Joseph has been a hospitality consultant and appraiser since 2003. He prepares appraisals, market feasibility studies, economic impact studies, and impact studies for hotels and leisure property throughout the United States. Joseph is a MAI designated appraiser with a wide range of experience in operations and accounting for hotels and resorts. Joseph has worked with various major hospitality brands and management companies as part of numerous assignments and has extensive knowledge of brand criteria, best practices, and current market trends.

Published Articles

- "What Drove Hotel Values to Decline in 2020?," Hotel News Now, February 2021
- "After a Decade of Growth and Recovery, What's Next?," Hotel News Now, March 2020
- "Hotel Market in Grand Rapids Continues to Boom," Hotel Online, July 2019
- "Gaming a Winning Bet in Ohio," Hotel Online, October 2016
- "Public-Private Partnerships for Hotels," Hotel Online, May 2015
- "Performance Soars at Hotels Connected to Airport Terminals," Hotel News Now, March 2013
- "The Ground Rent Alternative" Lodging Hospitality, December 2011
- "2009 Median Hotel Prices Plummet – Is it Time to Appeal Your Property Taxes? Hotel Online, November 2009
- "Dealing with an Economic Downturn: Ten Ideas for Hotels and Resorts" Hotel Online, December 2008
- "Ohio's Lodging Market: Historical Analysis & 2006 Forecast," Hotel Online, March 2006
- "Cleveland's Lodging Market: a Slow Climb Back," Hotel Online, February 2005
- "Cleveland Market at Bottom with Improvement Predicted" Hotel Online, January 2004

Litigation Assignments Involving Expert Testimony

- Ohio Board of Tax Appeals & BOR (2018)
Thistledown Racetrack, North Randall, Ohio
- Cuyahoga County Board of Revision (2018)
TownePlace Suites and Courtyard by Marriott, Middleburg Heights
- Hamilton County Board of Revision (2018)
TownePlace Suites, Blue Ash
- Cuyahoga County Board of Revision (2014 & 2018)
Thistledown Racetrack, North Randall
- Cuyahoga County Board of Revision (2010)
Ritz Carlton Hotel, Cleveland

ADDENDUM II

Trend # 1326543_SADIM / Created March 10, 2022

Trend Report - Hot Springs, VA Area Selected Properties

January 2014 to January 2022 Currency : USD - US Dollar

Table of Contents	1
Data by Measure	2
Percent Change by Measure	3
Percent Change by Year	4
Twelve Month Moving Average	5
Twelve Month Moving Average with Percent Change	6
Day of Week Analysis	7
Raw Data	8
Classic	9
Response Report	10
Terms and Conditions	11
Help	12

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Tab 2 - Data by Measure

Hot Springs, VA Area Selected Properties
Job Number: 1326543_SADIM Staff: GS Created: March 10, 2022

Occupancy (%)												
	January	February	March	April	May	June	July	August	September	October	November	December
2014	49.2	48.1	57.1	64.4	64.8	74.5	74.9	81.5	62.6	65.5	55.1	53.6
2015	51.4	50.5	57.5	67.4	67.8	75.8	75.9	77.9	63.7	66.0	57.4	53.0
2016	42.6	50.7	57.7	70.0	63.0	78.0	77.5	79.6	66.9	71.2	62.2	56.5
2017	46.9	50.3	57.4	64.5	62.7	77.5	77.8	78.3	68.7	66.0	59.5	53.8
2018	44.8	51.8	64.7	65.5	64.9	79.7	78.5	78.2	59.8	67.4	62.6	55.3
2019	46.9	49.0	59.5	65.1	69.9	77.8	76.2	81.1	65.6	70.3	64.5	56.2
2020	50.7	50.3	21.9			44.4	44.4	30.7	43.3	40.0	47.9	27.4
2021	23.2	27.8	34.2			61.4	65.0	66.2	53.8	58.5	47.5	49.6
2022	31.2			43.1	47.0	61.4	65.0	66.2	53.8			
Avg	43.0	47.3	51.3	62.9	62.9	68.9	71.9	73.4	60.1	63.5	54.9	50.9

ADR (\$)												
	January	February	March	April	May	June	July	August	September	October	November	December
2014	171.85	177.53	178.64	203.40	195.86	211.03	229.13	220.39	190.25	208.17	193.58	207.90
2015	180.08	192.84	190.23	206.82	207.54	217.68	233.30	223.47	207.38	211.91	191.06	220.04
2016	188.02	193.33	213.73	189.88	213.54	219.52	236.42	225.96	218.53	217.24	196.72	218.24
2017	183.83	196.46	189.50	225.95	216.56	222.48	238.77	227.16	217.57	213.51	203.02	231.53
2018	184.22	193.51	206.18	208.54	212.08	229.57	236.98	234.71	217.09	219.01	204.65	230.18
2019	183.32	198.02	197.44	228.32	219.24	232.14	246.22	241.05	218.55	214.22	209.39	229.25
2020	197.39	202.53	191.89			189.56	242.89	238.80	254.26	253.63	238.27	252.59
2021	227.42	249.55	261.56	275.86	266.66	300.52	343.30	320.83	280.19	282.83	275.67	289.78
2022	250.09											
Avg	192.01	197.67	201.44	216.64	218.97	230.24	249.58	239.97	222.96	225.39	210.89	233.12

RevPAR (\$)												
	January	February	March	April	May	June	July	August	September	October	November	December
2014	84.61	85.39	102.09	130.97	126.86	157.14	171.66	179.58	119.02	136.38	106.76	111.48
2015	92.59	97.40	109.34	139.46	140.64	164.98	177.13	174.03	132.02	139.88	109.70	116.70
2016	80.14	98.07	123.41	132.82	134.43	171.30	183.21	179.93	146.29	154.89	122.38	123.33
2017	86.19	98.82	108.75	145.84	135.70	172.49	185.81	177.87	149.55	140.91	120.81	128.57
2018	82.47	100.21	133.40	136.61	137.72	182.96	186.06	183.52	129.85	147.66	128.15	127.33
2019	86.03	97.10	117.51	148.63	153.29	180.58	187.73	195.57	143.40	150.88	135.15	128.92
2020	100.02	101.85	42.05			33.86	107.87	101.68	106.93	109.84	73.05	69.11
2021	52.87	69.48	89.49	118.89	134.77	184.48	223.29	212.33	150.66	165.37	130.88	143.77
2022	77.98											
Avg	82.53	93.53	103.25	136.18	137.63	158.74	179.42	176.21	134.05	143.17	115.85	118.65

Supply												
	January	February	March	April	May	June	July	August	September	October	November	December
2014	70,835	63,980	70,835	68,550	70,835	68,550	70,835	70,835	68,550	70,835	68,550	70,835
2015	70,835	63,980	70,835	68,550	70,835	68,550	70,835	70,835	68,550	70,835	68,550	70,835
2016	70,835	63,980	70,804	68,520	70,804	68,520	70,804	70,804	68,520	70,804	68,520	70,804
2017	70,804	63,952	70,804	68,520	70,804	68,520	70,804	70,804	68,520	70,804	68,520	70,804
2018	70,835	63,980	70,835	68,550	70,835	68,550	70,835	70,835	68,550	70,835	68,550	70,835
2019	70,835	63,980	70,835	68,550	70,835	68,580	70,866	70,866	68,580	70,866	68,580	70,866
2020	70,866	64,008	70,866			56,430	58,497	71,052	68,760	71,052	68,760	71,052
2021	71,052	64,148	71,021	68,730	71,021	68,730	71,114	71,114	68,820	71,114	68,820	71,114
2022	71,114											
Avg	70,890	64,001	70,854	68,567	70,853	67,054	69,324	70,893	68,606	70,893	68,606	70,897

Demand												
	January	February	March	April	May	June	July	August	September	October	November	December
2014	34,875	30,773	40,482	44,140	45,881	51,044	53,070	57,717	42,885	46,407	37,805	37,983
2015	36,419	32,316	40,715	46,226	48,000	51,954	53,781	55,162	43,641	46,758	39,358	37,568
2016	30,193	32,455	40,884	47,965	44,573	53,469	54,868	56,381	45,868	50,416	42,629	40,013
2017	33,198	32,169	40,631	44,225	44,367	53,124	55,100	45,442	47,098	46,727	39,336	33,198
2018	31,711	33,133	45,832	44,906	45,997	54,633	55,616	55,385	41,002	47,758	42,925	39,185
2019	33,241	31,373	42,159	44,626	49,527	53,349	54,031	57,496	44,999	49,848	44,266	39,853
2020	35,911	32,188	15,531			10,081	25,979	31,815	27,497	30,770	21,080	19,440
2021	16,518	17,860	24,300	29,620		42,191	46,254	47,064	37,005	41,580	32,675	35,283
2022	22,175											
Avg	30,471	30,283	36,317	43,101	44,534	46,231	49,837	52,058	41,249	45,033	37,689	36,083

	January	February	March	April	May	June	July	August	September	October	November	December
Total Year	523,062	531,898	539,714	532,192	538,083	544,768	403,740	516,208	515,208	516,208	36,083	36,083
Jan YTD	34,875	36,419	30,193	33,198	31,711	33,241	35,911	16,518	22,175	22,175	16,518	16,518

Revenue (\$)		January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jan YTD
2014	5,993,220	5,463,047	5,463,047	7,231,689	8,978,068	8,986,100	10,771,960	12,159,680	12,720,435	8,158,779	9,660,390	7,318,142	7,896,503	105,338,013	5,993,220
2015	6,558,383	6,231,760	6,231,760	7,745,243	9,560,321	9,961,990	11,309,119	12,547,033	12,327,200	9,050,243	9,908,480	7,519,767	8,266,582	110,986,121	6,558,383
2016	5,676,764	6,274,563	6,274,563	8,738,114	9,107,788	9,518,076	11,737,398	12,971,793	12,739,569	10,023,684	10,952,490	8,385,818	8,732,343	114,858,400	5,676,764
2017	6,102,869	6,319,974	6,319,974	7,699,675	9,992,741	9,608,080	11,818,770	13,156,111	12,594,260	10,247,124	9,976,858	8,278,215	9,107,531	114,902,208	6,102,869
2018	5,841,876	6,411,494	6,411,494	9,449,503	9,364,694	9,755,166	12,542,202	13,179,875	12,999,684	8,901,103	10,459,601	8,784,555	9,019,727	116,709,480	5,841,876
2019	6,093,859	6,212,449	6,212,449	8,323,890	10,188,802	10,858,545	12,384,402	13,303,454	13,859,466	9,834,448	10,678,324	9,268,852	9,136,199	120,142,690	6,093,859
2020	7,088,310	6,519,188	6,519,188	2,980,230	10,188,802	10,858,545	1,910,987	6,310,092	7,597,569	6,991,387	7,804,061	5,022,646	4,910,375	117,329,716	7,088,310
2021	3,756,488	4,457,050	4,457,050	6,355,973	8,171,012	9,571,431	12,679,140	15,878,868	15,099,396	10,368,531	11,760,257	9,007,417	10,224,153	117,329,716	3,756,488
2022	5,545,680														5,545,680
Avg	5,850,828	5,986,191	5,986,191	7,315,540	9,337,632	9,751,341	10,644,247	12,438,363	12,492,197	9,196,912	10,150,058	7,948,177	8,411,677	114,323,804	5,850,828

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Tab 3 - Percent Change from Previous Year - Detail by Measure

Hot Springs, VA Area Selected Properties
Job Number: 1326543_SADIM Staff: GS Created: March 10, 2022

Occupancy

	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jan YTD
2015	4.4	5.0	0.6	4.7	4.6	1.8	1.3	-4.4	1.8	0.8	4.1	-1.1	1.7	4.4
2016	-17.1	0.4	0.5	3.8	-7.1	3.0	2.1	2.3	5.1	7.9	8.4	6.6	1.5	-17.1
2017	-10.0	-0.8	-0.6	-7.8	-0.5	-0.6	0.4	-4.3	-1.7	-7.3	-4.3	-1.7	-1.4	10.0
2018	-4.5	3.0	12.8	1.5	3.6	2.8	0.9	-0.1	-13.0	2.2	5.2	-0.4	1.1	-4.5
2019	4.8	-5.3	-8.0	-0.6	7.7	-2.4	-2.9	3.8	9.7	4.3	3.1	1.7	1.2	4.8
2020	8.0	2.6	-63.2			-77.0	-41.8	-44.8	-39.1	-38.4	-52.5	-51.3		8.0
2021	-54.1	-44.6	56.1			243.6	46.5	-47.8	34.5	35.0	54.9	81.3		-54.1
2022	34.1													34.1
Avg	-1.8	-5.7	-0.3	0.3	1.7	24.4	0.9	0.4	0.2	0.6	2.7	5.0	0.8	-1.8

ADR

	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jan YTD
2015	4.8	8.6	6.5	1.7	6.0	3.1	1.8	1.4	9.0	1.8	-1.3	5.8	3.6	4.8
2016	4.4	0.3	12.4	-8.2	2.9	0.8	1.3	1.1	5.4	2.5	3.0	-0.8	2.0	4.4
2017	-2.2	1.6	-11.3	19.0	1.4	1.3	1.0	0.5	-0.4	-1.7	3.2	6.1	1.5	-2.2
2018	0.2	-1.5	8.8	-7.7	-2.1	3.2	-0.7	3.3	-0.2	2.6	0.8	-0.6	0.5	0.2
2019	-0.5	2.3	-4.2	9.5	3.4	1.1	3.9	2.7	0.7	-2.2	2.3	-0.4	1.7	-0.5
2020	7.7	2.3	-2.8			-18.3	-1.4	-0.9	16.3	18.4	13.8	10.2		7.7
2021	15.2	23.2	36.3			58.5	41.3	34.3	10.2	11.5	15.7	14.7		15.2
2022	10.0													10.0
Avg	4.9	5.3	6.5	2.9	2.3	7.1	6.8	6.1	5.8	4.7	5.4	5.0	1.8	4.9

RevPAR

	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jan YTD
2015	9.4	14.1	7.1	6.5	10.9	5.0	3.2	-3.1	10.9	2.6	2.8	4.7	5.4	9.4
2016	-13.4	0.7	12.9	-4.7	-4.4	3.8	3.4	3.4	10.8	10.6	11.6	5.7	3.5	-13.4
2017	7.6	0.8	-11.9	9.7	0.9	0.7	1.4	-1.1	2.2	-8.9	-1.3	4.3	0.0	7.6
2018	-4.3	1.4	22.7	-6.3	1.5	6.1	0.1	3.2	-13.2	4.8	6.1	-1.0	1.5	-4.3
2019	4.3	-3.1	-11.9	8.8	11.3	-1.3	0.9	6.6	10.4	2.0	5.5	1.2	2.9	4.3
2020	16.3	4.9	-64.2			-81.2	-42.5	-45.3	-29.1	-27.1	-46.0	-46.4		16.3
2021	-47.1	-31.8	112.8			444.7	107.0	98.6	48.2	50.6	79.2	108.0		-47.1
2022	47.5													47.5
Avg	2.5	-1.9	9.6	2.8	4.0	54.0	10.5	8.9	5.8	4.9	8.3	10.9	2.7	2.5

Supply

	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jan YTD
2015	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2016	0.0	0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	0.0
2017	-0.0	-0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0
2018	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2019	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2020	-0.0	0.0	0.0			-17.7	-17.5	0.3	0.3	0.3	0.3	0.3		0.0
2021	0.3	0.2	0.2			21.8	21.6	0.1	0.1	0.1	0.1	0.1		0.3
2022	0.1													0.1
Avg	0.0	0.0	0.0	0.0	0.0	0.6	0.6	0.1	0.1	0.1	0.1	0.1	0.0	0.0

Demand

	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jan YTD
2015	4.4	5.0	0.6	4.7	4.6	1.8	1.3	-4.4	1.8	0.8	4.1	-1.1	1.7	4.4
2016	-17.1	0.4	0.4	3.8	-7.1	2.9	2.0	2.2	5.1	7.8	8.3	6.5	1.5	-17.1
2017	10.0	-0.9	-0.6	-7.8	-0.5	-0.6	0.4	-1.7	2.7	-7.3	-4.3	-1.7	-1.4	10.0
2018	-4.5	3.0	12.8	1.5	3.7	2.8	0.9	-0.1	-12.9	2.2	5.3	-0.4	1.1	-4.5
2019	4.8	-5.3	-8.0	-0.6	7.7	-2.4	-2.8	3.8	9.7	4.4	3.1	1.7	1.2	4.8
2020	8.0	2.6	-63.2			-81.1	-51.9	-44.7	-38.9	-38.3	-52.4	-51.2		8.0
2021	-54.0	-44.5	56.5			318.5	78.0	47.9	34.6	35.1	55.0	81.5		-54.0
2022	34.2													34.2
Avg	-1.8	-5.7	-0.2	0.3	1.7	34.6	4.0	0.4	0.3	0.7	2.7	5.0	0.8	-1.8

Revenue

	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jan YTD
2015	9.4	14.1	7.1	6.5	10.9	5.0	3.2	-3.1	10.9	2.6	2.8	4.7	5.4	9.4

2016	-13.4	0.7	12.8	-4.7	-4.5	3.8	3.4	3.3	10.8	10.5	11.5	5.6	3.5	-13.4
2017	7.5	0.7	-11.9	9.7	0.9	0.7	1.4	-1.1	2.2	-8.9	-1.3	4.3	0.0	7.5
2018	-4.3	1.4	22.7	-6.3	1.5	6.1	0.2	3.2	-13.1	4.8	6.1	-1.0	1.6	-4.3
2019	4.3	-3.1	-11.9	8.8	11.3	-1.3	0.9	6.6	10.5	2.1	5.5	1.3	2.9	4.3
2020	16.3	4.9	-64.2			-84.6	-52.6	-45.2	-28.9	-26.9	-45.8	-46.3		16.3
2021	-47.0	-31.6	113.3			563.5	151.6	98.7	48.3	50.7	79.3	108.2		-47.0
2022	47.6													-47.6
Avg	2.6	-1.8	9.7	2.8	4.0	70.5	15.5	8.9	5.8	5.0	8.3	11.0	2.7	2.6

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Tab 4 - Percent Change from Previous Year - Detail by Year

Hot Springs, VA Area Selected Properties
Job Number: 1326543_SADIM Staff: GS Created: March 10, 2022

	Jan 15	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Total Year	Jan YTD
Occ	4.4	5.0	0.6	4.7	4.6	1.8	1.3	-4.4	1.8	0.8	4.1	-1.1	1.7	4.4
ADR	4.8	8.6	6.5	1.7	6.0	3.1	1.8	1.4	9.0	1.8	-1.3	5.8	3.6	4.8
RevPAR	9.4	14.1	7.1	6.5	10.9	5.0	3.2	-3.1	10.9	2.6	2.8	4.7	5.4	9.4
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	4.4	5.0	0.6	4.7	4.6	1.8	1.3	-4.4	1.8	0.8	4.1	-1.1	1.7	4.4
Revenue	9.4	14.1	7.1	6.5	10.9	5.0	3.2	-3.1	10.9	2.6	2.8	4.7	5.4	9.4
	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Total Year	Jan YTD
Occ	-17.1	0.4	0.5	3.8	-7.1	3.0	2.1	2.3	5.1	7.9	8.4	6.6	1.5	-17.1
ADR	4.4	0.3	12.4	-8.2	2.9	0.8	1.3	1.1	5.4	2.5	3.0	-0.8	2.0	4.4
RevPAR	-13.4	0.7	12.9	-4.7	-4.4	3.8	3.4	3.4	10.8	10.6	11.6	5.7	3.5	-13.4
Supply	0.0	0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	-0.0	0.0
Demand	-17.1	0.4	0.4	3.8	-7.1	2.9	2.0	2.2	5.1	7.8	8.3	6.5	1.5	-17.1
Revenue	-13.4	0.7	12.8	-4.7	-4.5	3.8	3.4	3.3	10.8	10.5	11.5	5.6	3.5	-13.4
	Jan 17	Feb 17	Mar 17	Apr 17	May 17	Jun 17	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Total Year	Jan YTD
Occ	10.0	-0.8	-0.6	-7.8	-0.5	-0.6	0.4	-1.7	2.7	-7.3	-4.3	-1.7	-1.4	10.0
ADR	-2.2	1.6	-11.3	19.0	1.4	1.3	-0.4	0.5	-0.4	2.5	3.2	-2.2	1.5	-2.2
RevPAR	7.6	0.8	-11.9	9.7	0.9	0.7	1.4	-1.1	2.2	-8.9	-1.3	4.3	0.0	7.6
Supply	-0.0	-0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.0	-0.0
Demand	10.0	-0.9	-0.6	-7.8	-0.5	-0.6	0.4	-1.7	2.7	-7.3	-4.3	-1.7	-1.4	10.0
Revenue	7.5	0.7	-11.9	9.7	0.9	0.7	1.4	-1.1	2.2	-8.9	-1.3	4.3	0.0	7.5
	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Total Year	Jan YTD
Occ	-4.5	3.0	12.8	1.5	3.6	2.8	0.9	-0.1	-13.0	2.2	5.2	-0.4	1.1	-4.5
ADR	0.2	-1.5	8.8	-7.7	-2.1	3.2	-0.7	3.3	-0.2	2.6	0.8	-0.4	0.5	0.2
RevPAR	-4.3	1.4	22.7	-6.3	1.5	6.1	0.1	3.2	-13.2	4.8	6.1	-1.0	1.5	-4.3
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	-4.5	3.0	12.8	1.5	3.7	2.8	0.9	-0.1	-12.9	2.2	5.3	-0.4	1.1	-4.5
Revenue	-4.3	1.4	22.7	-6.3	1.5	6.1	0.2	3.2	-13.1	4.8	6.1	-1.0	1.6	-4.3
	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Total Year	Jan YTD
Occ	4.8	-5.3	-3.0	-0.6	7.7	-2.4	-2.9	3.8	9.7	4.3	3.1	1.7	1.2	4.8
ADR	-0.5	2.3	-4.2	9.5	3.4	1.1	3.9	2.7	0.7	-2.2	2.3	-0.4	1.7	-0.5
RevPAR	4.3	-3.1	-11.9	8.8	11.3	-1.3	0.9	6.6	10.4	2.0	5.5	1.2	2.9	4.3
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	4.8	-5.3	-3.0	-0.6	7.7	-2.4	-2.8	3.8	9.7	4.4	3.1	1.7	1.2	4.8
Revenue	4.3	-3.1	-11.9	8.8	11.3	-1.3	0.9	6.6	10.5	2.1	5.5	1.3	2.9	4.3
	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Total Year	Jan YTD
Occ	8.0	2.6	-63.2	-0.6	7.7	-77.0	-41.8	-44.8	-39.1	-38.4	-52.5	-51.3	8.0	8.0
ADR	7.7	2.3	-2.8	9.5	3.4	-18.3	-1.4	-0.9	16.3	18.4	13.8	10.2	7.7	7.7
RevPAR	16.3	4.9	-64.2	8.8	11.3	-11.9	-42.5	-45.3	-29.1	-27.1	-46.0	-46.4	16.3	16.3
Supply	0.0	0.0	0.0	0.0	0.0	-17.7	-17.5	0.3	0.3	0.3	0.3	0.3	0.0	0.0
Demand	8.0	2.6	-63.2	-0.6	7.7	-81.1	-51.9	-44.7	-38.9	-38.3	-52.4	-51.2	8.0	8.0
Revenue	16.3	4.9	-64.2	8.8	11.3	-84.6	-52.6	-45.2	-28.9	-26.9	-45.8	-46.3	16.3	16.3
	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Total Year	Jan YTD
Occ	-54.1	-44.6	56.1	47.8	47.8	243.6	46.5	47.8	34.5	35.0	54.9	81.3	-54.1	-54.1
ADR	15.2	23.2	35.3	41.3	34.3	58.5	41.3	34.3	10.2	11.5	15.7	14.7	15.2	15.2
RevPAR	-47.1	-31.8	112.8	44.7	98.6	444.7	107.0	98.6	48.2	50.6	79.2	108.0	-47.1	-47.1
Supply	0.3	0.2	0.2	21.8	0.1	21.8	21.6	0.1	0.1	0.1	0.1	0.3	0.3	0.3
Demand	-54.0	-44.5	56.5	47.9	47.9	318.5	78.0	47.9	34.6	35.1	55.0	81.5	-54.0	-54.0
Revenue	-47.0	-31.6	113.3	563.5	98.7	563.5	151.6	98.7	48.3	50.7	79.3	108.2	-47.0	-47.0
	Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Total Year	Jan YTD
Occ	34.1												34.1	34.1
ADR	10.0												10.0	10.0
RevPAR	47.5												47.5	47.5
Supply	0.1												0.1	0.1
Demand	34.2												34.2	34.2
Revenue	47.6												47.6	47.6

Hot Springs, VA Area Selected Properties
Job Number: 1326543 SADIM Staff: GS Created: March 10, 2022

[illegible]

High value is boxed.

Low value is boxed and italicized.

Tab 6 - Twelve Month Moving Average with Percent Change

Hot Springs, VA Area Selected Properties
Job Number: 1326543_SADIM Staff: GS Created: March 10, 2022

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue	
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg
Jan 15	62.9		201.87		126.98		834,025		524,606		105,903,176	
Feb 15	63.1		202.74		127.90		834,025		526,149		106,671,889	
Mar 15	63.1		203.63		128.52		834,025		526,382		107,185,443	
Apr 15	63.4		203.92		129.21		834,025		528,468		107,767,696	
May 15	63.6		204.95		130.38		834,025		530,587		108,743,586	
Jun 15	63.7		205.61		131.03		834,025		531,497		109,280,745	
Jul 15	63.8		206.06		131.49		834,025		532,208		109,668,098	
Aug 15	63.5		206.31		131.02		834,025		529,653		109,274,863	
Sep 15	63.6		207.70		132.09		834,025		530,409		110,166,327	
Oct 15	63.6		208.03		132.39		834,025		530,760		110,414,417	
Nov 15	63.8		207.80		132.63		834,025		532,313		110,616,042	
Dec 15	63.8	1.7	208.66	3.6	133.07	5.4	834,025	0.0	531,898	1.7	110,986,121	5.4
Jan 16	63.0	0.2	209.45	3.8	132.02	4.0	834,025	0.0	525,672	0.2	110,104,502	4.0
Feb 16	63.0	-0.1	209.48	3.3	132.07	3.3	834,025	0.0	525,811	-0.1	110,147,305	3.3
Mar 16	63.1	-0.1	211.30	3.8	133.26	3.7	833,994	-0.0	525,980	-0.1	111,140,176	3.7
Apr 16	63.3	-0.1	209.75	2.9	132.72	2.7	833,964	-0.0	527,719	-0.1	110,687,643	2.7
May 16	62.9	-1.2	210.27	2.6	132.20	1.4	833,933	-0.0	524,292	-1.2	110,243,729	1.4
Jun 16	63.1	-1.1	210.48	2.4	132.72	1.3	833,903	-0.0	525,807	-1.1	110,672,008	1.3
Jul 16	63.2	-1.0	210.85	2.3	133.23	1.3	833,872	-0.0	526,894	-1.0	111,096,768	1.3
Aug 16	63.3	-0.3	211.15	2.3	133.73	2.1	833,841	-0.0	528,113	-0.3	111,509,137	2.0
Sep 16	63.6	0.0	212.10	2.1	134.90	2.1	833,811	-0.0	530,340	-0.0	112,482,578	2.1
Oct 16	64.0	0.6	212.60	2.2	136.16	2.8	833,780	-0.0	533,998	0.6	113,526,588	2.8
Nov 16	64.4	1.0	212.92	2.5	137.20	3.4	833,750	-0.0	537,269	0.9	114,392,639	3.4
Dec 16	64.7	1.5	212.81	2.0	137.77	3.5	833,719	-0.0	539,714	1.5	114,858,400	3.5
Jan 17	65.1	3.3	212.42	1.4	138.28	4.7	833,688	-0.0	542,719	3.2	115,284,505	4.7
Feb 17	65.1	3.2	212.62	1.5	138.34	4.8	833,660	-0.0	542,433	3.2	115,329,916	4.7
Mar 17	65.0	3.1	210.80	-0.2	137.10	2.9	833,660	-0.0	542,180	3.1	114,291,477	2.8
Apr 17	64.6	2.1	213.91	2.0	138.16	4.1	833,660	-0.0	538,440	2.0	115,176,430	4.1
May 17	64.6	2.7	214.16	1.8	138.27	4.6	833,660	-0.0	538,234	2.7	115,266,434	4.6
Jun 17	64.5	2.3	214.45	1.9	138.36	4.3	833,660	-0.0	537,889	2.3	115,347,806	4.2
Jul 17	64.5	2.2	214.70	1.8	138.58	4.0	833,660	-0.0	538,121	2.1	115,532,124	4.0
Aug 17	64.4	1.7	214.80	1.7	138.41	3.5	833,660	-0.0	537,182	1.7	115,386,815	3.5
Sep 17	64.6	1.5	214.72	1.2	138.68	2.8	833,660	-0.0	538,412	1.5	115,610,255	2.8
Oct 17	64.1	0.2	214.38	0.8	137.51	1.0	833,660	-0.0	534,723	0.1	114,634,623	1.0
Nov 17	63.9	-0.8	214.93	0.9	137.38	0.1	833,660	-0.0	532,869	-0.8	114,527,020	0.1
Dec 17	63.8	-1.4	215.90	1.5	137.82	0.0	833,691	-0.0	532,192	-1.4	114,902,208	0.0
Jan 18	63.7	-2.2	216.02	1.7	137.51	-0.6	833,722	0.0	530,705	-2.2	114,641,215	-0.6
Feb 18	63.8	-2.0	215.80	1.5	137.61	-0.5	833,750	0.0	531,669	-2.0	114,732,735	-0.5
Mar 18	64.4	-1.0	216.97	2.9	139.70	1.9	833,781	0.0	536,870	-1.0	116,482,563	1.9
Apr 18	64.5	-0.2	215.52	0.8	138.95	0.6	833,811	0.0	537,551	-0.2	115,854,516	0.6
May 18	64.7	0.2	215.14	0.5	139.12	0.6	833,842	0.0	539,181	0.2	116,001,602	0.6
Jun 18	64.8	0.5	215.88	0.7	139.98	1.2	833,872	0.0	540,690	0.5	116,725,034	1.2
Jul 18	64.9	0.5	215.72	0.5	140.00	1.0	833,903	0.0	541,206	0.6	116,748,798	1.1
Aug 18	64.9	0.7	216.49	0.8	140.48	1.5	833,934	0.0	541,149	0.7	117,154,222	1.5
Sep 18	64.2	-0.7	216.44	0.8	138.86	0.1	833,964	0.0	535,053	-0.6	115,808,201	0.2

Tab 6 - Twelve Month Moving Average with Percent Change

Hot Springs, VA Area Selected Properties
 Job Number: 1326543_SADIM Staff: GS Created: March 10, 2022

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue	
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg
Oct 18	64.3	0.2	216.93	1.2	139.44	1.4	833,995	0.0	536,084	0.3	116,290,944	1.4
Nov 18	64.5	1.0	217.00	1.0	140.04	1.9	834,025	0.0	538,234	1.0	116,797,284	2.0
Dec 18	64.5	1.1	216.90	0.5	139.94	1.5	834,025	0.0	538,083	1.1	116,709,480	1.6
Jan 19	64.7	1.6	216.75	0.3	140.24	2.0	834,025	0.0	539,613	1.7	116,961,463	2.0
Feb 19	64.5	1.1	217.09	0.6	140.00	1.7	834,025	0.0	537,853	1.2	116,762,418	1.8
Mar 19	64.0	-0.5	216.48	-0.2	138.65	-0.8	834,025	0.0	534,180	-0.5	115,636,805	-0.7
Apr 19	64.0	-0.7	218.13	1.2	139.64	0.5	834,025	0.0	533,900	-0.7	116,460,913	0.5
May 19	64.4	-0.3	218.75	1.7	140.96	1.3	834,025	0.0	537,430	-0.3	117,564,292	1.3
Jun 19	64.3	-0.9	218.98	1.4	140.77	0.6	834,055	0.0	536,146	-0.8	117,406,492	0.6
Jul 19	64.1	-1.2	219.86	1.9	140.91	0.6	834,086	0.0	534,561	-1.2	117,530,071	0.7
Aug 19	64.3	-0.8	220.60	1.9	141.93	1.0	834,117	0.0	536,672	-0.8	118,389,853	1.1
Sep 19	64.8	1.0	220.70	2.0	143.05	3.0	834,147	0.0	540,669	1.0	119,323,198	3.0
Oct 19	65.1	1.2	220.25	1.5	143.31	2.8	834,178	0.0	542,759	1.2	119,541,921	2.8
Nov 19	65.2	1.1	220.60	1.7	143.88	2.7	834,208	0.0	544,100	1.1	120,026,218	2.8
Dec 19	65.3	1.2	220.54	1.7	144.01	2.9	834,239	0.0	544,768	1.2	120,142,680	2.9
Jan 20	65.6	1.4	221.28	2.1	145.20	3.5	834,270	0.0	547,438	1.5	121,137,141	3.6
Feb 20	65.7	1.9	221.51	2.0	145.56	4.0	834,298	0.0	548,253	1.9	121,443,880	4.0
Mar 20	62.5	-2.4	222.57	2.8	139.15	0.4	834,329	0.0	521,625	-2.4	116,100,220	0.4
Apr 20												
May 20												
Jun 20												
Jul 20												
Aug 20												
Sep 20												
Oct 20												
Nov 20												
Dec 20												
Jan 21												
Feb 21												
Mar 21												
Apr 21												
May 21	35.5		252.68		89.77		811,575		288,350		72,859,071	
Jun 21	38.9		260.96		101.50		823,875		320,460		83,627,224	
Jul 21	40.7		273.51		111.41		836,492		340,735		93,196,000	
Aug 21	42.6		282.87		120.37		836,554		355,984		100,697,827	
Sep 21	43.7		284.75		124.40		836,614		365,492		104,074,971	
Oct 21	45.0		287.09		129.12		836,676		376,302		108,031,167	
Nov 21	46.4		288.78		133.87		836,736		387,897		112,015,938	
Dec 21	48.2		290.61		140.21		836,798		403,740		117,329,716	
Jan 22	48.9		290.96		142.34		836,860		409,397		119,118,908	

Tab 7 - Day of Week Analysis

Hot Springs, VA Area Selected Properties
Job Number: 1326543_SADIM Staff: GS Created: March 10, 2022

Occupancy (%)										Total Month
	Sun	Mon	Tue	Wed	Thu	Fri	Sat			
Feb - 21	23.2	19.3	22.1	22.7	20.0	39.0	48.5			27.8
Mar - 21	26.1	29.0	31.6	31.2	26.7	43.7	54.0			34.2
Apr - 21	31.5	31.6	34.0	34.6	40.4	61.4	64.3			43.1
May - 21	39.9	34.9	37.0	38.0	43.1	64.7	70.4			47.0
Jun - 21	49.8	57.0	54.8	54.9	60.9	76.7	78.9			61.4
Jul - 21	55.5	59.3	60.7	58.5	61.4	75.7	78.9			65.0
Aug - 21	53.3	58.7	61.6	67.9	68.8	78.5	80.7			66.2
Sep - 21	47.9	42.7	43.5	44.7	49.1	74.1	77.8			53.8
Oct - 21	44.5	49.5	50.8	51.0	56.9	74.6	76.9			58.5
Nov - 21	28.5	32.8	35.3	46.0	53.5	71.4	71.6			47.5
Dec - 21	40.9	48.5	45.1	43.5	46.1	59.0	64.3			49.6
Jan - 22	24.2	22.9	20.0	22.2	28.0	47.3	52.4			31.2
Total Year	38.9	40.1	41.7	43.0	45.5	64.1	68.3			48.9

ADR										Total Month
	Sun	Mon	Tue	Wed	Thu	Fri	Sat			
Feb - 21	276.87	184.32	162.13	161.39	218.08	292.96	321.75			249.55
Mar - 21	274.73	236.43	224.77	225.91	233.36	301.04	306.70			261.56
Apr - 21	253.79	238.45	230.15	234.35	269.69	305.45	321.16			275.86
May - 21	289.21	221.04	208.77	215.56	238.20	337.88	367.26			286.66
Jun - 21	290.22	275.28	262.77	266.18	273.62	343.54	366.82			300.52
Jul - 21	346.76	308.85	300.08	300.40	315.28	372.55	407.85			343.30
Aug - 21	304.41	295.68	292.61	296.70	310.98	358.24	376.53			320.83
Sep - 21	305.38	233.80	216.59	221.72	253.49	315.15	355.49			280.19
Oct - 21	265.55	230.28	221.48	231.75	250.03	326.82	356.15			282.83
Nov - 21	228.37	218.43	222.44	263.57	277.70	317.07	325.01			275.67
Dec - 21	268.95	272.85	280.77	259.24	276.91	327.76	315.88			289.78
Jan - 22	258.28	185.84	175.51	178.24	197.60	267.51	331.35			250.09
Total Year	286.13	252.27	246.03	249.03	269.59	327.31	351.07			290.96

RevPAR										Total Month
	Sun	Mon	Tue	Wed	Thu	Fri	Sat			
Feb - 21	64.17	35.63	35.85	36.69	43.66	114.20	156.17			69.48
Mar - 21	71.62	68.56	71.01	70.43	62.26	131.67	165.53			89.49
Apr - 21	80.00	75.46	78.28	81.03	108.93	187.42	206.44			118.89
May - 21	115.47	77.20	77.16	81.96	102.69	218.46	258.69			134.77
Jun - 21	144.58	156.78	144.03	146.13	166.62	263.38	289.52			184.48
Jul - 21	192.61	183.14	182.20	175.84	193.51	281.96	321.88			223.29
Aug - 21	162.17	173.63	180.31	201.47	213.99	281.18	303.77			212.33
Sep - 21	146.14	99.87	94.25	99.11	124.49	233.54	276.65			150.66
Oct - 21	118.15	114.05	112.49	118.11	142.16	234.83	273.87			165.37
Nov - 21	64.99	71.65	78.49	121.37	148.58	226.34	232.69			130.88
Dec - 21	110.04	132.40	126.54	112.68	127.70	193.45	202.96			143.77
Jan - 22	62.48	42.48	35.05	39.58	55.29	126.41	173.47			77.98
Total Year	111.31	101.08	102.64	107.05	125.29	209.90	239.90			142.34

Three Year Occupancy (%)

	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Year
Feb 19 - Jan 20	51.9	56.0	59.2	61.3	65.4	80.8	84.5	65.6
Feb 20 - Jan 21	27.0	26.0	27.0	28.4	31.2	42.6	46.9	32.7
Feb 21 - Jan 22	38.9	40.1	41.7	43.0	46.5	64.1	68.3	48.9
Total 3 Yr	39.8	41.3	43.4	45.0	48.5	63.6	67.4	49.9

Three Year ADR

	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Year
Feb 19 - Jan 20	215.80	196.59	195.76	197.08	208.78	243.97	263.99	221.28
Feb 20 - Jan 21	224.73	194.75	189.99	192.45	209.72	263.56	279.29	228.75
Feb 21 - Jan 22	286.13	252.27	246.03	249.03	269.59	327.31	351.07	290.96
Total 3 Yr	241.58	215.32	211.57	213.61	229.41	277.14	297.95	246.87

Three Year RevPAR

	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Year
Feb 19 - Jan 20	112.01	110.01	115.89	120.82	136.50	197.03	223.15	145.20
Feb 20 - Jan 21	60.60	50.73	51.30	54.60	65.35	112.28	131.07	75.21
Feb 21 - Jan 22	111.31	101.08	102.64	107.05	125.29	209.90	239.90	142.34
Total 3 Yr	96.06	89.03	91.72	96.17	111.28	176.26	200.87	123.10

Tab 8 - Raw Data

Hot Springs, VA Area Selected Properties
Job Number: 1326543_SADIM Staff: GS Created: March 10, 2022

Date	Occupancy			ADR			RevPar			Supply			Demand			Revenue			Census & Sample %		
	This Year	% Chg		This Year	% Chg		This Year	% Chg		This Year	% Chg		This Year	% Chg		This Year	% Chg		Census Props	Census Rooms	% Rooms STAR Participants
Jan 14	49.2			171.85			84.61			70,835			34,875			5,993,220			7	2,285	100.0
Feb 14	48.1			177.53			85.39			63,980			30,773			5,463,047			7	2,285	100.0
Mar 14	57.1			178.64			102.09			70,835			40,482			7,231,689			7	2,285	100.0
Apr 14	64.4			203.40			130.97			68,550			44,140			8,978,068			7	2,285	100.0
May 14	64.8			195.86			126.86			70,835			45,881			8,986,100			7	2,285	100.0
Jun 14	74.5			211.03			157.14			68,550			51,044			10,771,960			7	2,285	100.0
Jul 14	74.9			229.13			171.66			70,835			53,070			12,159,680			7	2,285	100.0
Aug 14	81.5			220.39			179.58			70,835			57,717			12,720,435			7	2,285	100.0
Sep 14	62.6			190.25			119.02			68,550			42,885			8,158,779			7	2,285	100.0
Oct 14	65.5			208.17			136.38			70,835			46,407			9,660,390			7	2,285	100.0
Nov 14	55.1			193.58			106.76			68,550			37,805			7,318,142			7	2,285	100.0
Dec 14	53.6			207.90			111.48			70,835			37,983			7,896,503			7	2,285	100.0
Jan 15	51.4	4.4		180.08	4.8		92.59	9.4		70,835	0.0		36,419	4.4		6,558,383	9.4		7	2,285	100.0
Feb 15	50.5	5.0		192.84	8.6		97.40	14.1		63,980	0.0		32,316	5.0		6,231,760	14.1		7	2,285	100.0
Mar 15	57.5	0.6		190.23	6.5		109.34	7.1		70,835	0.0		40,715	0.6		7,745,243	7.1		7	2,285	100.0
Apr 15	67.4	4.7		206.82	1.7		139.46	6.5		68,550	0.0		46,226	4.7		9,560,321	6.5		7	2,285	100.0
May 15	67.8	4.6		207.54	6.0		140.64	10.9		70,835	0.0		48,000	4.6		9,961,990	10.9		7	2,285	100.0
Jun 15	75.8	1.8		217.68	3.1		164.98	5.0		68,550	0.0		51,954	1.8		11,309,119	5.0		7	2,285	100.0
Jul 15	75.9	1.3		233.30	1.8		177.13	3.2		70,835	0.0		53,781	1.3		12,547,033	3.2		7	2,285	100.0
Aug 15	77.9	-4.4		223.47	1.4		174.03	-3.1		70,835	0.0		55,162	-4.4		12,327,200	-3.1		7	2,285	100.0
Sep 15	63.7	1.8		207.38	9.0		132.02	10.9		68,550	0.0		43,641	1.8		9,050,243	10.9		7	2,285	100.0
Oct 15	66.0	0.8		211.91	1.8		139.88	2.6		70,835	0.0		46,758	0.8		9,908,480	2.6		7	2,285	100.0
Nov 15	57.4	4.1		191.06	-1.3		109.70	2.8		68,550	0.0		39,358	4.1		7,519,767	2.8		7	2,285	100.0
Dec 15	53.0	-1.1		220.04	5.8		116.70	4.7		70,835	0.0		37,568	-1.1		8,266,582	4.7		7	2,285	100.0
Jan 16	42.6	-17.1		188.02	4.4		80.14	-13.4		70,835	0.0		30,193	-17.1		5,676,764	-13.4		7	2,285	100.0
Feb 16	50.7	0.4		193.33	0.3		98.07	0.7		63,980	0.0		32,455	0.4		6,274,563	0.7		7	2,285	100.0
Mar 16	57.7	0.5		213.73	12.4		123.41	12.9		70,804	-0.0		40,884	0.4		8,738,114	12.8		7	2,284	100.0
Apr 16	70.0	3.8		189.88	-8.2		132.92	-4.7		68,520	-0.0		47,965	3.8		9,107,788	-4.7		7	2,284	100.0
May 16	63.0	-7.1		213.54	2.9		134.43	-4.4		70,804	-0.0		44,573	-7.1		9,518,076	-4.5		7	2,284	100.0
Jun 16	78.0	3.0		219.52	0.8		171.30	3.8		68,520	-0.0		53,469	2.9		11,737,398	3.8		7	2,284	100.0
Jul 16	77.5	2.1		236.42	1.3		183.21	3.4		70,804	-0.0		54,868	2.0		12,971,793	3.4		7	2,284	100.0
Aug 16	79.6	2.3		225.96	1.1		179.93	3.4		70,804	-0.0		56,381	2.2		12,739,569	3.3		7	2,284	100.0
Sep 16	66.9	5.1		218.53	5.4		146.29	10.8		68,520	-0.0		45,868	5.1		10,023,684	10.8		7	2,284	100.0
Oct 16	71.2	7.9		217.24	2.5		154.69	10.6		70,804	-0.0		50,416	7.8		10,952,490	10.5		7	2,284	100.0
Nov 16	62.2	8.4		196.72	3.0		122.38	11.6		68,520	-0.0		42,629	8.3		8,385,818	11.5		7	2,284	100.0
Dec 16	56.5	6.6		218.24	-0.8		123.33	5.7		70,804	-0.0		40,013	6.5		8,732,343	5.6		7	2,284	100.0
Jan 17	46.9	10.0		183.83	-2.2		86.19	7.6		70,804	-0.0		33,198	10.0		6,102,869	7.5		7	2,284	100.0
Feb 17	50.3	-0.8		196.46	1.6		98.82	0.8		63,952	-0.0		32,169	-0.9		6,319,974	0.7		7	2,284	100.0
Mar 17	57.4	-0.6		189.50	-11.3		108.75	-11.9		70,804	0.0		40,631	-0.6		7,699,675	-11.9		7	2,284	100.0
Apr 17	64.5	-7.8		225.95	19.0		145.84	9.7		68,520	0.0		44,225	-7.8		9,992,741	9.7		7	2,284	100.0
May 17	62.7	-0.5		216.56	1.4		135.70	0.9		70,804	0.0		44,367	-0.5		9,608,080	0.9		7	2,284	100.0
Jun 17	77.5	-0.6		222.48	1.3		172.49	0.7		68,520	0.0		53,124	-0.6		11,818,770	0.7		7	2,284	100.0
Jul 17	77.8	0.4		238.77	1.0		185.81	1.4		70,804	0.0		55,100	0.4		13,156,111	1.4		7	2,284	100.0
Aug 17	78.3	-1.7		227.16	0.5		177.87	-1.1		70,804	0.0		55,442	-1.7		12,594,260	-1.1		7	2,284	100.0
Sep 17	68.7	2.7		217.57	-0.4		149.55	2.2		68,520	0.0		47,098	2.7		10,247,124	2.2		7	2,284	100.0
Oct 17	66.0	-7.3		213.51	-1.7		140.91	-8.9		70,804	0.0		46,727	-7.3		9,976,858	-8.9		7	2,284	100.0
Nov 17	59.5	-4.3		203.02	3.2		120.81	-1.3		68,520	0.0		40,775	-4.3		8,278,215	-1.3		7	2,284	100.0
Dec 17	55.5	-1.7		231.53	6.1		128.57	4.3		70,835	0.0		39,336	-1.7		9,107,531	4.3		7	2,285	100.0
Jan 18	44.8	-4.5		184.22	0.2		82.47	-4.3		70,835	0.0		31,711	-4.5		5,841,876	-4.3		7	2,285	100.0

Tab 8 - Raw Data

Hot Springs, VA Area Selected Properties
Job Number: 1326543_SADIM Staff: GS Created: March 10, 2022

Date	Occupancy			ADR			RevPar			Supply			Demand			Revenue			Census & Sample %		
	This Year	% Chg		This Year	% Chg		This Year	% Chg		This Year	% Chg		This Year	% Chg		This Year	% Chg		Census Props	Census Rooms	% Rooms STAR Participants
Feb 18	51.8	3.0		193.51	-1.5		100.21	1.4		63,980	0.0		33,133	3.0		6,411,494	1.4		7	2,285	100.0
Mar 18	64.7	12.8		206.18	8.8		133.40	22.7		70,835	0.0		45,832	12.8		9,449,503	22.7		7	2,285	100.0
Apr 18	65.5	1.5		208.54	-7.7		136.61	-6.3		68,550	0.0		44,906	1.5		9,364,694	-6.3		7	2,285	100.0
May 18	64.9	3.6		212.08	-2.1		137.72	1.5		70,835	0.0		45,997	3.7		9,755,166	1.5		7	2,285	100.0
Jun 18	79.7	2.8		229.57	3.2		182.96	6.1		68,550	0.0		54,633	2.8		12,542,202	6.1		7	2,285	100.0
Jul 18	78.5	0.9		236.98	-0.7		186.06	0.1		70,835	0.0		55,616	0.9		13,179,875	0.2		7	2,285	100.0
Aug 18	78.2	-0.1		234.71	3.3		183.52	3.2		70,835	0.0		55,385	-0.1		12,999,684	3.2		7	2,285	100.0
Sep 18	59.8	-13.0		217.09	-0.2		129.85	-13.2		68,550	0.0		41,002	-12.9		8,901,103	-13.1		7	2,285	100.0
Oct 18	67.4	2.2		219.01	2.6		147.66	4.8		70,835	0.0		47,758	2.2		10,459,601	4.8		7	2,285	100.0
Nov 18	62.6	5.2		204.65	0.8		128.15	6.1		68,550	0.0		42,925	5.3		8,784,555	6.1		7	2,285	100.0
Dec 18	55.3	-0.4		230.18	-0.6		127.33	-1.0		70,835	0.0		39,185	-0.4		9,019,727	-1.0		7	2,285	100.0
Jan 19	46.9	4.8		183.32	-0.5		86.03	4.3		70,835	0.0		33,241	4.8		6,093,859	4.3		7	2,285	100.0
Feb 19	49.0	-5.3		198.02	2.3		97.10	-3.1		63,980	0.0		31,373	-5.3		6,212,449	-3.1		7	2,285	100.0
Mar 19	59.5	-8.0		197.44	-4.2		117.51	-11.9		70,835	0.0		42,159	-8.0		8,323,890	-11.9		7	2,285	100.0
Apr 19	65.1	-0.6		228.32	9.5		148.63	8.8		68,550	0.0		44,626	-0.6		10,188,802	8.8		7	2,285	100.0
May 19	69.9	7.7		219.24	3.4		153.29	11.3		70,835	0.0		49,527	7.7		10,858,545	11.3		7	2,285	100.0
Jun 19	77.8	-2.4		232.14	1.1		180.58	-1.3		68,580	0.0		53,349	-2.4		12,384,402	-1.3		7	2,286	100.0
Jul 19	76.2	-2.9		246.22	3.9		187.73	0.9		70,866	0.0		54,031	-2.8		13,303,454	0.9		7	2,286	100.0
Aug 19	81.1	3.8		241.05	2.7		195.57	6.6		70,866	0.0		57,496	3.8		13,859,466	6.6		7	2,286	100.0
Sep 19	65.6	9.7		218.55	0.7		143.40	10.4		68,580	0.0		44,999	9.7		9,834,448	10.5		7	2,286	100.0
Oct 19	70.3	4.3		214.22	-2.2		150.68	2.0		70,866	0.0		49,848	4.4		10,678,324	2.1		7	2,286	100.0
Nov 19	64.5	3.1		209.39	2.3		135.15	5.5		68,580	0.0		44,266	3.1		9,268,852	5.5		7	2,286	100.0
Dec 19	56.2	1.7		229.25	-0.4		128.92	1.2		70,866	0.0		39,853	1.7		9,136,199	1.3		7	2,286	100.0
Jan 20	50.7	8.0		197.39	7.7		100.02	16.3		70,866	0.0		35,911	8.0		7,088,310	16.3		7	2,286	100.0
Feb 20	50.3	2.6		202.53	2.3		101.85	4.9		64,008	0.0		32,188	2.6		6,519,188	4.9		7	2,286	100.0
Mar 20	21.9	-63.2		191.89	-2.8		42.05	-64.2		70,866	0.0		15,531	-63.2		2,980,230	-64.2		2	2,286	100.0
Apr 20																			4	626	83.2
May 20																			6	998	100.0
Jun 20	17.9	-77.0		189.56	-18.3		33.86	-81.2		56,430	-17.7		10,081	-81.1		1,910,987	-84.6		6	1,881	100.0
Jul 20	44.4	-41.8		242.89	-1.4		107.87	-42.5		58,497	-17.5		25,979	-51.9		6,310,092	-52.6		6	1,887	100.0
Aug 20	44.8	-44.8		238.80	-0.9		106.93	-45.3		71,052	0.3		31,815	-44.7		7,597,569	-45.2		7	2,292	82.3
Sep 20	40.0	-39.1		254.26	16.3		101.68	-29.1		68,760	0.3		27,497	-38.9		6,991,387	-28.9		7	2,292	100.0
Oct 20	43.3	-38.4		253.63	18.4		109.84	-27.1		71,052	0.3		30,770	-38.3		7,804,061	-26.9		7	2,292	100.0
Nov 20	30.7	-52.5		238.27	13.8		73.05	-46.0		68,760	0.3		21,080	-52.4		5,022,646	-45.8		7	2,292	100.0
Dec 20	27.4	-51.3		252.59	10.2		69.11	-46.4		71,052	0.3		19,440	-51.2		4,910,375	-46.3		7	2,292	100.0
Jan 21	23.2	-54.1		227.42	15.2		52.87	-47.1		71,052	0.3		16,518	-54.0		3,756,488	-47.0		7	2,292	100.0
Feb 21	27.8	-44.6		249.55	23.2		69.48	-31.8		64,148	0.2		17,860	-44.5		4,457,050	-31.6		7	2,291	100.0
Mar 21	34.2	56.1		261.56	36.3		89.49	112.8		71,021	0.2		24,300	56.5		6,355,973	113.3		7	2,291	100.0
Apr 21	43.1			275.86			118.89			68,730			29,620			8,171,012			7	2,291	100.0
May 21	47.0			286.66			134.77			71,021			33,390			9,571,431			7	2,291	100.0
Jun 21	61.4	243.6		300.52	58.5		184.48	444.7		68,730	21.8		42,191	318.5		12,679,140	563.5		7	2,291	100.0
Jul 21	65.0	46.5		343.30	41.3		223.29	107.0		71,114	21.6		46,254	78.0		15,878,868	151.6		7	2,294	100.0
Aug 21	66.2	47.8		320.83	34.3		212.33	98.6		71,114	0.1		47,064	47.9		15,099,396	98.7		7	2,294	100.0
Sep 21	53.8	34.5		280.19	10.2		150.66	48.2		68,820	0.1		37,005	34.6		10,368,531	48.3		7	2,294	100.0
Oct 21	58.5	35.0		282.83	11.5		165.37	50.6		71,114	0.1		41,580	35.1		11,760,257	50.7		7	2,294	100.0
Nov 21	47.5	54.9		275.67	15.7		130.88	79.2		68,820	0.1		32,675	55.0		9,007,417	79.3		7	2,294	100.0
Dec 21	49.6	81.3		289.78	14.7		143.77	108.0		71,114	0.1		35,283	81.5		10,224,153	108.2		7	2,294	100.0
Jan 22	31.2	34.1		250.09	10.0		77.98	47.5		71,114	0.1		22,175	34.2		5,545,680	47.6		7	2,294	100.0

Tab 8 - Raw Data

Hot Springs, VA Area Selected Properties
Job Number: 1326543_SADIM Staff: GS

Created: March 10, 2022

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants

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Tab 9 - Classic

Hot Springs, VA Area Selected Properties
Job Number: 1326543_SADIM Staff: GS Created: March 10, 2022

Date	Occupancy			ADR			RevPar			Supply			Demand			Revenue			Census & Sample %		
	This Year	% Chg		This Year	% Chg		This Year	% Chg		This Year	% Chg		This Year	% Chg		This Year	% Chg		Census Props	Census Rooms	% Rooms STAR Participants
Jan 14	49.2			171.85			84.61			70,835			34,875			5,993,220			7	2,285	100.0
Feb 14	48.1			177.53			85.39			63,980			30,773			5,463,047			7	2,285	100.0
Mar 14	57.1			178.64			102.09			70,835			40,482			7,231,689			7	2,285	100.0
Apr 14	64.4			203.40			130.97			68,550			44,140			8,978,068			7	2,285	100.0
May 14	64.8			195.86			126.86			70,835			45,881			8,986,100			7	2,285	100.0
Jun 14	74.5			211.03			157.14			68,550			51,044			10,771,960			7	2,285	100.0
Jul 14	74.9			229.13			171.66			70,835			53,070			12,159,680			7	2,285	100.0
Aug 14	81.5			220.39			179.58			70,835			57,717			12,720,435			7	2,285	100.0
Sep 14	62.6			190.25			119.02			68,550			42,885			8,158,779			7	2,285	100.0
Oct 14	65.5			208.17			136.38			70,835			46,407			9,660,390			7	2,285	100.0
Nov 14	55.1			193.58			106.76			68,550			37,805			7,318,142			7	2,285	100.0
Dec 14	53.6			207.90			111.48			70,835			37,983			7,896,503			7	2,285	100.0
Jan YTD 2014	49.2			171.85			84.61			70,835			34,875			5,993,220					
Total 2014	62.7			201.39			126.30			834,025			523,062			105,338,013					
Jan 15	51.4	4.4		180.08	4.8		92.59	9.4		70,835	0.0		36,419	4.4		6,558,383	9.4		7	2,285	100.0
Feb 15	50.5	5.0		192.84	8.6		97.40	14.1		63,980	0.0		32,316	5.0		6,231,760	14.1		7	2,285	100.0
Mar 15	57.5	0.6		180.23	6.5		109.34	7.1		70,835	0.0		40,715	0.6		7,745,243	7.1		7	2,285	100.0
Apr 15	67.4	4.7		206.82	1.7		139.46	6.5		68,550	0.0		46,226	4.7		9,560,321	6.5		7	2,285	100.0
May 15	67.8	4.6		207.54	6.0		140.64	10.9		70,835	0.0		48,000	4.6		9,961,990	10.9		7	2,285	100.0
Jun 15	75.8	1.8		217.68	3.1		164.98	5.0		68,550	0.0		51,954	1.8		11,309,119	5.0		7	2,285	100.0
Jul 15	75.9	1.3		233.30	1.8		177.13	3.2		70,835	0.0		53,781	1.3		12,547,033	3.2		7	2,285	100.0
Aug 15	77.9	-4.4		223.47	1.4		174.03	-3.1		70,835	0.0		55,162	-4.4		12,327,200	-3.1		7	2,285	100.0
Sep 15	63.7	1.8		207.38	9.0		132.02	10.9		68,550	0.0		43,641	1.8		9,050,243	10.9		7	2,285	100.0
Oct 15	66.0	0.8		211.91	1.8		139.88	2.6		70,835	0.0		46,758	0.8		9,908,480	2.6		7	2,285	100.0
Nov 15	57.4	4.1		191.06	-1.3		109.70	2.8		68,550	0.0		39,358	4.1		7,519,767	2.8		7	2,285	100.0
Dec 15	53.0	-1.1		220.04	5.8		116.70	4.7		70,835	0.0		37,568	-1.1		8,266,582	4.7		7	2,285	100.0
Jan YTD 2015	51.4	4.4		180.08	4.8		92.59	9.4		70,835	0.0		36,419	4.4		6,558,383	9.4				
Total 2015	63.8	1.7		208.65	3.6		133.07	5.4		834,025	0.0		531,898	1.7		110,986,121	5.4				
Jan 16	42.6	-17.1		188.02	4.4		80.14	-13.4		70,835	0.0		30,193	-17.1		5,676,764	-13.4		7	2,285	100.0
Feb 16	50.7	0.4		193.33	0.3		98.07	0.7		63,980	0.0		32,455	0.4		6,274,563	0.7		7	2,285	100.0
Mar 16	57.7	0.5		213.73	12.4		123.41	12.9		70,804	-0.0		40,884	0.4		8,738,114	12.8		7	2,284	100.0
Apr 16	70.0	3.8		189.88	-8.2		132.92	-4.7		68,520	-0.0		47,965	3.8		9,107,788	-4.7		7	2,284	100.0
May 16	63.0	-7.1		213.54	2.9		134.43	-4.4		70,804	-0.0		44,573	-7.1		9,518,076	-4.5		7	2,284	100.0
Jun 16	78.0	3.0		219.52	0.8		171.30	3.8		68,520	-0.0		53,469	2.9		11,737,398	3.8		7	2,284	100.0
Jul 16	77.5	2.1		236.42	1.3		183.21	3.4		70,804	-0.0		54,868	2.0		12,971,793	3.4		7	2,284	100.0
Aug 16	79.6	2.3		225.96	1.1		179.93	3.4		70,804	-0.0		56,381	2.2		12,739,569	3.3		7	2,284	100.0
Sep 16	66.9	5.1		218.53	5.4		146.29	10.8		68,520	-0.0		45,868	5.1		10,023,684	10.8		7	2,284	100.0
Oct 16	71.2	7.9		217.24	2.5		154.69	10.6		70,804	-0.0		50,416	7.8		10,952,490	10.5		7	2,284	100.0
Nov 16	62.2	8.4		196.72	3.0		122.38	11.6		68,520	-0.0		42,629	8.3		8,385,818	11.5		7	2,284	100.0
Dec 16	56.5	6.6		218.24	-0.8		123.33	5.7		70,804	-0.0		40,013	6.5		8,732,343	5.6		7	2,284	100.0
Jan YTD 2016	42.6	-17.1		188.02	4.4		80.14	-13.4		70,835	0.0		30,193	-17.1		5,676,764	-13.4				
Total 2016	64.7	1.5		212.81	2.0		137.77	3.5		833,719	-0.0		539,714	1.5		114,858,400	3.5				
Jan 17	46.9	10.0		183.83	-2.2		86.19	7.6		70,804	-0.0		33,198	10.0		6,102,869	7.5		7	2,284	100.0
Feb 17	50.3	-0.8		196.46	1.6		98.82	0.8		63,952	-0.0		32,169	-0.9		6,319,974	0.7		7	2,284	100.0
Mar 17	57.4	-0.6		189.50	-11.3		108.75	-11.9		70,804	0.0		40,631	-0.6		7,699,675	-11.9		7	2,284	100.0
Apr 17	64.5	-7.8		225.95	19.0		145.84	9.7		68,520	0.0		44,225	-7.8		9,992,741	9.7		7	2,284	100.0
May 17	62.7	-0.5		216.56	1.4		135.70	0.9		70,804	0.0		44,367	-0.5		9,608,080	0.9		7	2,284	100.0
Jun 17	77.5	-0.6		222.48	1.3		172.49	0.7		68,520	0.0		53,124	-0.6		11,818,770	0.7		7	2,284	100.0
Jul 17	77.8	0.4		238.77	1.0		185.81	1.4		70,804	0.0		55,100	0.4		13,156,111	1.4		7	2,284	100.0
Aug 17	78.3	-1.7		227.16	0.5		177.87	-1.1		70,804	0.0		55,442	-1.7		12,594,260	-1.1		7	2,284	100.0
Sep 17	68.7	2.7		217.57	-0.4		149.55	2.2		68,520	0.0		47,098	2.7		10,247,124	2.2		7	2,284	100.0
Oct 17	66.0	-7.3		213.51	-1.7		140.91	-8.9		70,804	0.0		46,727	-7.3		9,976,858	-8.9		7	2,284	100.0
Nov 17	59.5	-4.3		203.02	3.2		120.81	-1.3		68,520	0.0		40,775	-4.3		8,278,215	-1.3		7	2,284	100.0

Tab 9 - Classic

Hot Springs, VA Area Selected Properties
Job Number: 1326543_SADIM Staff: GS Created: March 10, 2022

Date	Occupancy			ADR			RevPar			Supply			Demand			Revenue			Census & Sample %		
	This Year	% Chg		This Year	% Chg		This Year	% Chg		This Year	% Chg		This Year	% Chg		This Year	% Chg		Census Props	Census Rooms	% Rooms STAR Participants
Dec 17	55.5	-1.7		231.53	6.1		128.57	4.3		70,835	0.0		39,336	-1.7		9,107,531	4.3		7	2,285	100.0
Jan YTD 2017	46.9	10.0		183.83	-2.2		86.19	7.6		70,804	-0.0		33,198	10.0		6,102,869	7.5				
Total 2017	63.8	-1.4		215.80	1.5		137.82	0.0		833,691	-0.0		532,192	-1.4		114,802,208	0.0				
Jan 18	44.8	-4.5		184.22	0.2		82.47	-4.3		70,835	0.0		31,711	-4.5		5,841,876	-4.3		7	2,285	100.0
Feb 18	51.8	3.0		193.51	-1.5		100.21	1.4		63,980	0.0		33,133	3.0		6,411,494	1.4		7	2,285	100.0
Mar 18	64.7	12.8		206.18	8.8		133.40	22.7		70,835	0.0		45,832	12.8		9,449,503	22.7		7	2,285	100.0
Apr 18	65.5	1.5		208.54	-7.7		136.61	-6.3		68,550	0.0		44,906	1.5		9,364,694	-6.3		7	2,285	100.0
May 18	64.9	3.6		212.08	-2.1		137.72	1.5		70,835	0.0		45,997	3.7		9,755,166	1.5		7	2,285	100.0
Jun 18	79.7	2.8		229.57	3.2		182.96	6.1		68,550	0.0		54,633	2.8		12,542,202	6.1		7	2,285	100.0
Jul 18	78.5	0.9		236.98	-0.7		186.06	0.1		70,835	0.0		55,616	0.9		13,179,875	0.2		7	2,285	100.0
Aug 18	78.2	-0.1		234.71	3.3		183.52	3.2		70,835	0.0		55,385	-0.1		12,999,684	3.2		7	2,285	100.0
Sep 18	59.8	-13.0		217.09	-0.2		129.85	-13.2		68,550	0.0		41,002	-12.9		8,901,103	-13.1		7	2,285	100.0
Oct 18	67.4	2.2		219.01	2.6		147.66	4.8		70,835	0.0		47,758	2.2		10,459,601	4.8		7	2,285	100.0
Nov 18	62.6	5.2		204.65	0.8		128.15	6.1		68,550	0.0		42,925	5.3		8,784,555	6.1		7	2,285	100.0
Dec 18	55.3	-0.4		230.18	-0.6		127.33	-1.0		70,835	0.0		39,185	-0.4		9,019,727	-1.0		7	2,285	100.0
Jan YTD 2018	44.8	-4.5		184.22	0.2		82.47	-4.3		70,835	0.0		31,711	-4.5		5,841,876	-4.3				
Total 2018	64.5	1.1		216.90	0.5		139.94	1.5		834,025	0.0		538,083	1.1		116,709,480	1.6				
Jan 19	46.9	4.8		183.32	-0.5		86.03	4.3		70,835	0.0		33,241	4.8		6,093,859	4.3		7	2,285	100.0
Feb 19	49.0	-5.3		198.02	2.3		97.10	-3.1		63,980	0.0		31,373	-5.3		6,212,449	-3.1		7	2,285	100.0
Mar 19	59.5	-8.0		197.44	-4.2		117.51	-11.9		70,835	0.0		42,159	-8.0		8,323,890	-11.9		7	2,285	100.0
Apr 19	65.1	-0.6		228.32	9.5		148.63	8.8		68,550	0.0		44,626	-0.6		10,188,802	8.8		7	2,285	100.0
May 19	69.9	7.7		219.24	3.4		153.29	11.3		70,835	0.0		49,527	7.7		10,858,545	11.3		7	2,285	100.0
Jun 19	77.8	-2.4		232.14	1.1		180.58	-1.3		68,580	0.0		53,349	-2.4		12,384,402	-1.3		7	2,286	100.0
Jul 19	76.2	-2.9		246.22	3.9		187.73	0.9		70,866	0.0		54,031	-2.8		13,303,454	0.9		7	2,286	100.0
Aug 19	81.1	3.8		241.05	2.7		195.57	6.6		70,866	0.0		57,496	3.8		13,859,466	6.6		7	2,286	100.0
Sep 19	65.6	9.7		218.55	0.7		143.40	10.4		68,580	0.0		44,999	9.7		9,834,448	10.5		7	2,286	100.0
Oct 19	70.3	4.3		214.22	-2.2		150.68	2.0		70,866	0.0		49,848	4.4		10,678,324	2.1		7	2,286	100.0
Nov 19	64.5	3.1		209.39	2.3		135.15	5.5		68,580	0.0		44,266	3.1		9,268,852	5.5		7	2,286	100.0
Dec 19	56.2	1.7		229.25	-0.4		128.92	1.2		70,866	0.0		39,853	1.7		9,136,199	1.3		7	2,286	100.0
Jan YTD 2019	46.9	4.8		183.32	-0.5		86.03	4.3		70,835	0.0		33,241	4.8		6,093,859	4.3				
Total 2019	65.3	1.2		220.54	1.7		144.01	2.9		834,239	0.0		544,768	1.2		120,142,690	2.8				
Jan 20	50.7	8.0		197.39	7.7		100.02	16.3		70,866	0.0		35,911	8.0		7,088,310	16.3		7	2,286	100.0
Feb 20	50.3	2.6		202.53	2.3		101.85	4.9		64,008	0.0		32,188	2.6		6,519,188	4.9		7	2,286	100.0
Mar 20	21.9	-63.2		191.89	-2.8		42.05	-64.2		70,866	0.0		15,531	-63.2		2,980,230	-64.2		7	2,286	100.0
Apr 20																			2	626	100.0
May 20																			4	998	83.2
Jun 20	17.9	-77.0		189.56	-18.3		33.86	-81.2		56,430	-17.7		10,081	-81.1		1,910,987	-84.6		6	1,881	100.0
Jul 20	44.4	-4.8		242.89	-1.4		107.87	-42.5		58,497	-17.5		25,979	-51.9		6,310,092	-52.6		6	1,887	100.0
Aug 20	44.8	-44.8		238.80	-0.9		106.93	-45.3		71,052	0.3		31,815	-44.7		7,597,569	-45.2		7	2,292	82.3
Sep 20	40.0	-39.1		254.26	16.3		101.68	-29.1		68,760	0.3		27,497	-38.9		6,991,387	-28.9		7	2,292	100.0
Oct 20	43.3	-38.4		253.63	18.4		109.84	-27.1		71,052	0.3		30,770	-38.3		7,804,061	-26.9		7	2,292	100.0
Nov 20	30.7	-52.5		238.27	13.8		73.05	-46.0		68,760	0.3		21,080	-52.4		5,022,646	-45.8		7	2,292	100.0
Dec 20	27.4	-51.3		252.59	10.2		69.11	-46.4		71,052	0.3		19,440	-51.2		4,910,375	-46.3		7	2,292	100.0
Jan YTD 2020	50.7	8.0		197.39	7.7		100.02	16.3		70,866	0.0		35,911	8.0		7,088,310	16.3				
Total 2020																					
Jan 21	23.2	-54.1		227.42	15.2		52.87	-47.1		71,052	0.3		16,518	-54.0		3,756,488	-47.0		7	2,292	100.0
Feb 21	27.8	-44.6		249.55	23.2		69.48	-31.8		64,148	0.2		17,860	-44.5		4,457,050	-31.6		7	2,291	100.0
Mar 21	34.2	56.1		261.56	36.3		89.49	112.8		71,021	0.2		24,300	56.5		6,355,973	113.3		7	2,291	100.0
Apr 21	43.1			275.86			118.89			68,730			29,620			8,171,012			7	2,291	100.0
May 21	47.0			286.66			134.77			71,021			33,390			9,571,431			7	2,291	100.0
Jun 21	61.4	243.6		300.52	58.5		184.48	444.7		68,730	21.8		42,191	318.5		12,679,140	563.5		7	2,291	100.0
Jul 21	65.0	46.5		343.30	41.3		223.29	107.0		71,114	21.6		46,254	78.0		15,878,868	151.6		7	2,294	100.0
Aug 21	66.2	47.8		320.83	34.3		212.33	98.6		71,114	0.1		47,064	47.9		15,099,396	98.7		7	2,294	100.0

Tab 9 - Classic

Hot Springs, VA Area Selected Properties
 Job Number: 1326543_SADIM Staff: GS Created: March 10, 2022

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants
Sep 21	53.8	34.5	280.19	10.2	150.66	48.2	68,820	0.1	37,005	34.6	10,368,531	48.3	7	2,294	100.0
Oct 21	58.5	35.0	282.83	11.5	165.37	50.6	71,114	0.1	41,580	35.1	11,760,257	50.7	7	2,294	100.0
Nov 21	47.5	54.9	275.67	15.7	130.88	79.2	68,820	0.1	32,675	55.0	9,007,417	79.3	7	2,294	100.0
Dec 21	49.6	81.3	289.78	14.7	143.77	108.0	71,114	0.1	35,283	81.5	10,224,153	108.2	7	2,294	100.0
Jan YTD 2021	23.2	-54.1	227.42	15.2	52.87	-47.1	71,052	0.3	16,518	-54.0	3,756,488	-47.0			
Total 2021	48.2		280.61		140.21		836,798		403,740		117,329,716				
Jan 22	31.2	34.1	250.09	10.0	77.98	47.5	71,114	0.1	22,175	34.2	5,545,680	47.6	7	2,294	100.0
Jan YTD 2022	31.2	34.1	250.09	10.0	77.98	47.5	71,114	0.1	22,175	34.2	5,545,680	47.6			

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Hot Springs, VA Area Selected Properties
Job Number: 1326543_SADIM Staff: GS
Created: March 10, 2022

- - Monthly data received by STR
- - Monthly and daily data received by STR

Blank - No data received by STR

Y - (Cig in Rms) Property has experienced a room addition or drop during the time period of the report. Only the most recent three room changes are displayed. A property may have more than three changes during the time period of the report.

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Tab 11 - Terms and Conditions

Before purchasing this product you agreed to the following terms and conditions.

In consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, STR, Inc. ("STR"), STR Global, Ltd. ("STRG"), and the licensee identified elsewhere in this Agreement ("Licensee") agree as follows:

1. LICENSE

1.1 Definitions.

(a) "Agreement" means these Standard Terms and Conditions and any additional terms specifically set out in writing in the document(s) (if any) to which these Standard Terms and Conditions are attached or in which they are incorporated by reference, and, if applicable, any additional terms specifically set out in writing in any Schedule attached hereto.

(b) "Licensed Materials" means the newsletters, reports, databases or other information resources, and all lodging industry data contained therein, provided to Licensee hereunder.

1.2 Grant of License. Subject to the terms and conditions of this Agreement, and except as may be expressly permitted elsewhere in this Agreement, STR hereby grants to Licensee a non-exclusive, non-transferable, indivisible, non-sublicensable license to use, copy, manipulate and extract data from the Licensed Materials for its own INTERNAL business purposes only.

1.3 Copies. Except as expressly permitted elsewhere in this Agreement, Licensee may make and maintain no more than two (2) copies of any Licensed Materials.

1.4 No Service Bureau Use. Licensee is prohibited from using the Licensed Materials in any way in connection with any service bureau or similar services. "Service bureau" means the processing of input data that is supplied by one or more third parties and the generation of output data (in the form of reports, charts, graphs or other pictorial representations, or the like) that is sold or licensed to any third parties.

excepts of the data and any manipulations of the data) available in any form whatsoever to any third party, other than Licensee's accountants, attorneys, marketing professionals or other professional advisors who are bound by a duty of confidentiality not to disclose such information.

1.6 Security. Licensee shall use commercially reasonable efforts to protect against unauthorized access to the Licensed Materials.

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2. DISCLAIMERS AND LIMITATIONS OF LIABILITY

licensed materials, the services provided or the results of use thereof. Without limiting the foregoing, STR does not warrant that the licensed materials, the services provided or the use thereof are or will be accurate, error-free or uninterrupted. STR makes no implied warranties, including without limitation, any implied warranty of merchantability, noninfringement or fitness for any particular purpose or arising by usage of trade, course of dealing, course of performance or otherwise.

2.2 Disclaimers. STR shall have no liability with respect to its obligations under this agreement or otherwise for consequential, exemplary, special, incidental, or punitive damages even if STR has been advised of the possibility of such damages. Furthermore, STR shall have no liability whatsoever for any claim relating in any way to any decision made or action taken by licensee in reliance upon the licensed materials.

2.3 Limitation of Liability. STR's total liability to licensee for any reason and upon any cause of action including without limitation, infringement, breach of contract, negligence, strict liability, misrepresentations, and other torts, shall be limited to all fees paid to STR by the licensee during the twelve month period preceding the date on which such cause of action first arose.

3. MISCELLANEOUS

3.1 Liquidated Damages. In the event of a violation of Section 1.5 of these Standard Terms and Conditions, Licensee shall be required to pay STR an amount equal to the sum of (i) the highest aggregate price that STR, in accordance with its then-current published prices, could have charged the unauthorized recipients for the Licensed Materials that are the subject of the violation, and (ii) the full price of the lowest level of republishing rights that Licensee would have been required to purchase from STR in order to have the right to make the unauthorized distribution, regardless of whether Licensee has previously paid for any lower level of republishing rights, and (iii) fifteen percent (15%) of the total of the previous two items. This provision shall survive indefinitely the expiration or termination of this Agreement for any reason.

copies of the Licensed Materials and all other information relating thereto in Licensee's possession or control as of the such date. This provision shall survive indefinitely the expiration or termination of this Agreement for any reason.

or actions regarding or arising out of this Agreement shall be brought exclusively in a court of competent jurisdiction located in Nashville, Tennessee, and the parties expressly consent to personal jurisdiction thereof. The parties also expressly waive any objections to venue.

3.4 Assignment. Licensee is prohibited from assigning this Agreement or delegating any of its duties under this Agreement without the prior written consent of STR.

venture relationship.

at the time of transmission (provided, however, that notice delivered by facsimile transmission shall only be effective if such notice is also delivered by hand or deposited in the United States mail, postage prepaid, registered, certified or express mail or by courier service within two (2) business days after its delivery by facsimile transmission); iii) when delivered by a courier service or by express mail, at the time of receipt; or iv) five (5) business days after being deposited in the United States mail, postage prepaid, registered or certified mail, addressed (in any such case) to the addresses listed on the first page of this Agreement or to such other address as either party may notify the other in writing.

3.7 Waiver. No waiver of any breach of this Agreement will be deemed to constitute a waiver of any subsequent breach of the same or any other provision.

3.8 Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the matters described herein, superseding in all respects any and all prior proposals, negotiations, understandings and other agreements, oral or written, between the parties.

3.9 Amendment. This Agreement may be amended only by the written agreement of both parties.

the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

3.11 Injunctive Relief. The parties agree that, in addition to any other rights or remedies which the other or STR may have, any party alleging breach or threatened breach of this Agreement will be entitled to such equitable and injunctive relief as may be available from any court of competent jurisdiction to restrain the other from breaching or threatening to breach any of the provisions of this Section, without posting bond or other surety.

3.12 Notice of Unauthorized Access. Licensee shall notify STR immediately upon Licensee's becoming aware of any facts indicating that a third party may have obtained or may be about to obtain unauthorized access to the Licensed Materials, and shall fully cooperate with STR in its efforts to mitigate the damages caused by any such breach or potential breach.

3.13 Conflicting Provisions. In the event that any provision of these Standard Terms and Conditions directly conflicts with any other provision of the Agreement, the conflicting terms of such other provision shall control.

3.14 Remedies. In addition to any other rights or remedies that STR may have, in the event of any termination by STR on account of a breach by Licensee, STR may, without refund, immediately terminate and discontinue any right of Licensee to receive additional Licensed Materials from STR.



Glossary:

For all STR definitions, please visit www.str.com/data-insights/resources/glossary

Frequently Asked Questions (FAQ):

For all STR FAQs, please click here or visit www.str.com/data-insights/resources/FAQ

For additional support, please [contact](#) your regional office.

For the latest in industry news, visit HotelNewsNow.com.

To learn more about the Hotel Data Conference, visit HotelDataConference.com.

ADDENDUM III



Demographic and Income Profile

SUBJECT SITE
910 Tc Northcott Blvd, Luray, Virginia, 22835
Ring: 60 mile radius

Prepared by Esri
Latitude: 38.67390
Longitude: -78.50731

Summary	Census 2010		2021		2026	
Population	1,560,044		1,830,164		1,954,570	
Households	567,118		659,752		702,294	
Families	402,654		464,427		493,293	
Average Household Size	2.69		2.72		2.73	
Owner Occupied Housing Units	413,736		491,476		530,037	
Renter Occupied Housing Units	153,382		168,276		172,257	
Median Age	37.1		38.8		39.3	
Trends: 2021-2026 Annual Rate	Area		State		National	
Population	1.32%		0.73%		0.71%	
Households	1.26%		0.70%		0.71%	
Families	1.21%		0.62%		0.64%	
Owner HHs	1.52%		0.90%		0.91%	
Median Household Income	1.74%		1.53%		2.41%	
Households by Income			2021		2026	
			Number	Percent	Number	Percent
<\$15,000			39,548	6.0%	36,268	5.2%
\$15,000 - \$24,999			38,198	5.8%	35,780	5.1%
\$25,000 - \$34,999			43,041	6.5%	41,576	5.9%
\$35,000 - \$49,999			69,349	10.5%	67,522	9.6%
\$50,000 - \$74,999			101,306	15.4%	101,182	14.4%
\$75,000 - \$99,999			89,669	13.6%	95,381	13.6%
\$100,000 - \$149,999			122,122	18.5%	134,217	19.1%
\$150,000 - \$199,999			67,081	10.2%	82,780	11.8%
\$200,000+			89,428	13.6%	107,578	15.3%
Median Household Income			\$84,025		\$91,590	
Average Household Income			\$113,857		\$126,410	
Per Capita Income			\$41,081		\$45,447	
Population by Age	Census 2010		2021		2026	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	104,417	6.7%	109,085	6.0%	117,873	6.0%
5 - 9	110,186	7.1%	118,612	6.5%	125,142	6.4%
10 - 14	109,131	7.0%	124,709	6.8%	128,414	6.6%
15 - 19	112,952	7.2%	120,005	6.6%	128,764	6.6%
20 - 24	103,053	6.6%	114,039	6.2%	114,029	5.8%
25 - 34	195,075	12.5%	234,122	12.8%	244,341	12.5%
35 - 44	225,220	14.4%	246,726	13.5%	273,389	14.0%
45 - 54	239,558	15.4%	235,670	12.9%	237,981	12.2%
55 - 64	178,410	11.4%	239,185	13.1%	239,165	12.2%
65 - 74	104,899	6.7%	175,459	9.6%	199,596	10.2%
75 - 84	55,922	3.6%	83,064	4.5%	111,382	5.7%
85+	21,221	1.4%	29,487	1.6%	34,494	1.8%
Race and Ethnicity	Census 2010		2021		2026	
	Number	Percent	Number	Percent	Number	Percent
White Alone	1,246,155	79.9%	1,368,387	74.8%	1,411,939	72.2%
Black Alone	132,189	8.5%	163,329	8.9%	179,248	9.2%
American Indian Alone	4,806	0.3%	6,431	0.4%	7,202	0.4%
Asian Alone	75,750	4.9%	131,911	7.2%	164,325	8.4%
Pacific Islander Alone	948	0.1%	1,376	0.1%	1,586	0.1%
Some Other Race Alone	56,219	3.6%	88,625	4.8%	105,841	5.4%
Two or More Races	43,978	2.8%	70,105	3.8%	84,428	4.3%
Hispanic Origin (Any Race)	132,143	8.5%	212,550	11.6%	256,051	13.1%

Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026.

April 04, 2022

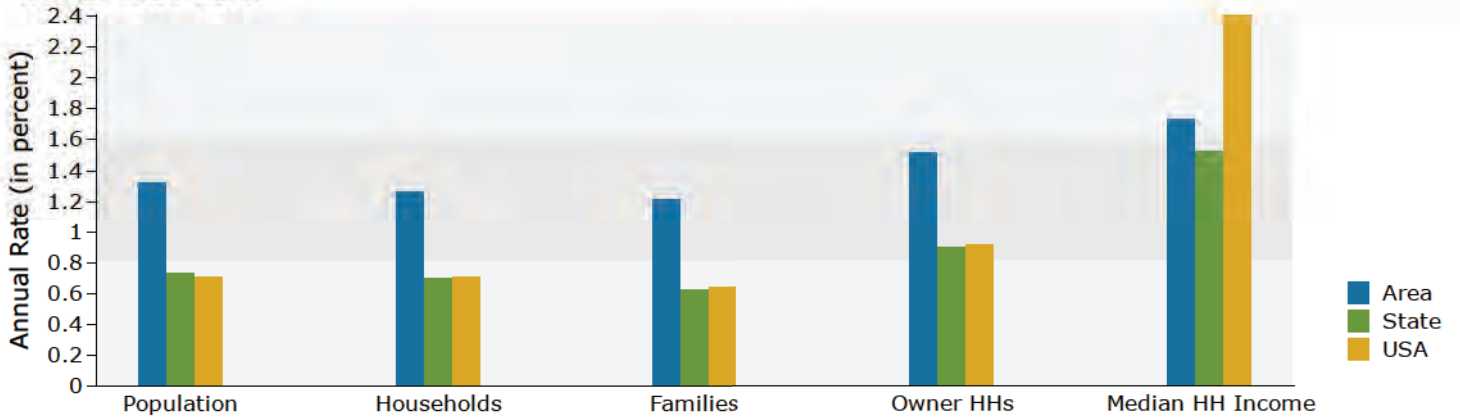


Demographic and Income Profile

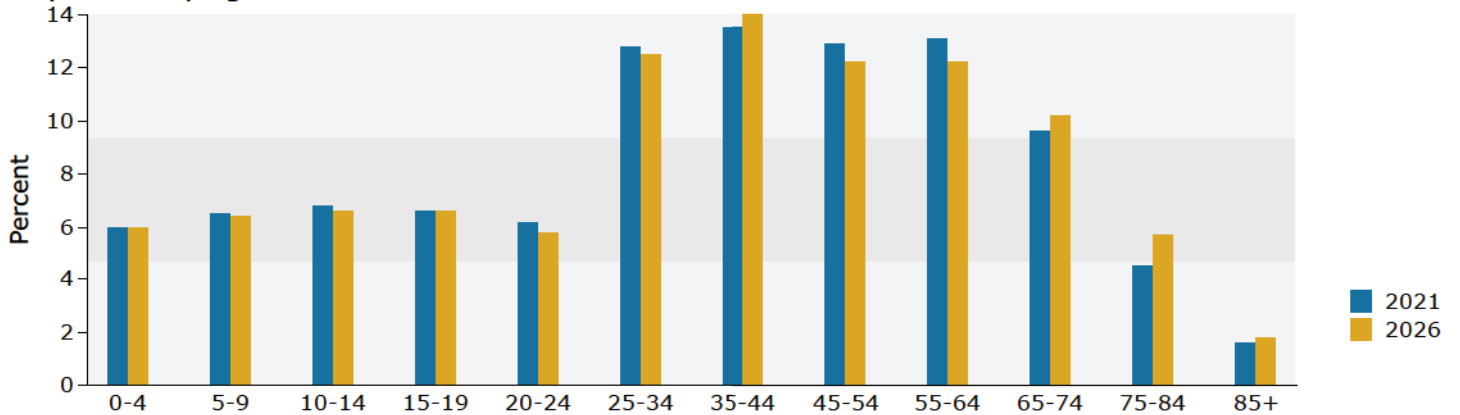
SUBJECT SITE
910 Tc Northcott Blvd, Luray, Virginia, 22835
Ring: 60 mile radius

Prepared by Esri
Latitude: 38.67390
Longitude: -78.50731

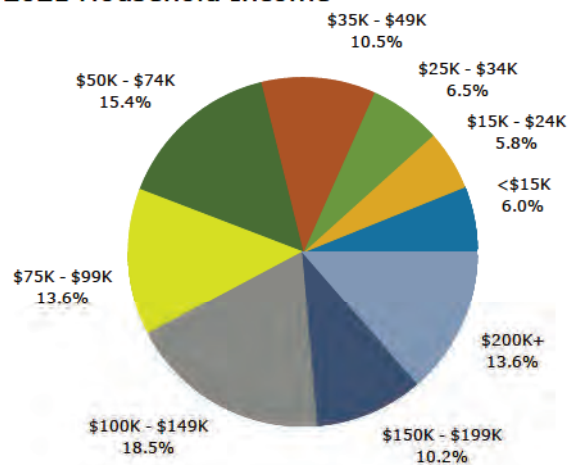
Trends 2021-2026



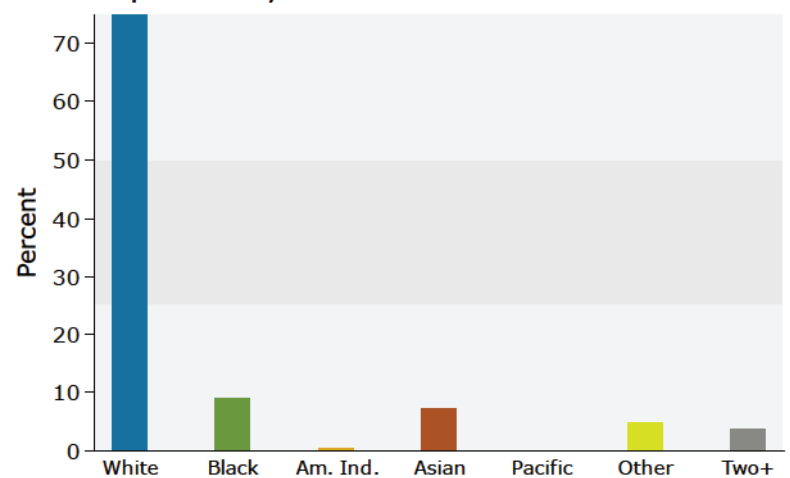
Population by Age



2021 Household Income



2021 Population by Race



2021 Percent Hispanic Origin: 11.6%



Demographic and Income Profile

SUBJECT SITE
910 Tc Northcott Blvd, Luray, Virginia, 22835
Ring: 120 mile radius

Prepared by Esri
Latitude: 38.67390
Longitude: -78.50731

Summary	Census 2010		2021		2026	
Population	12,099,082		13,124,230		13,619,376	
Households	4,612,612		5,000,905		5,187,249	
Families	3,020,742		3,221,043		3,324,607	
Average Household Size	2.55		2.56		2.56	
Owner Occupied Housing Units	3,068,525		3,338,653		3,494,783	
Renter Occupied Housing Units	1,544,087		1,662,252		1,692,466	
Median Age	37.4		39.2		39.9	
Trends: 2021-2026 Annual Rate	Area		State		National	
Population	0.74%		0.73%		0.71%	
Households	0.73%		0.70%		0.71%	
Families	0.63%		0.62%		0.64%	
Owner HHs	0.92%		0.90%		0.91%	
Median Household Income	1.80%		1.53%		2.41%	
Households by Income			2021		2026	
			Number	Percent	Number	Percent
<\$15,000			377,862	7.6%	345,226	6.7%
\$15,000 - \$24,999			298,305	6.0%	272,381	5.3%
\$25,000 - \$34,999			326,939	6.5%	308,884	6.0%
\$35,000 - \$49,999			486,325	9.7%	461,138	8.9%
\$50,000 - \$74,999			758,134	15.2%	742,826	14.3%
\$75,000 - \$99,999			638,139	12.8%	659,313	12.7%
\$100,000 - \$149,999			907,418	18.1%	981,278	18.9%
\$150,000 - \$199,999			502,661	10.1%	593,772	11.4%
\$200,000+			704,998	14.1%	822,307	15.9%
Median Household Income			\$83,311		\$91,106	
Average Household Income			\$117,444		\$130,252	
Per Capita Income			\$44,829		\$49,700	
Population by Age	Census 2010		2021		2026	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	764,147	6.3%	724,030	5.5%	757,407	5.6%
5 - 9	762,880	6.3%	771,021	5.9%	775,928	5.7%
10 - 14	770,410	6.4%	818,541	6.2%	803,661	5.9%
15 - 19	832,458	6.9%	811,116	6.2%	839,998	6.2%
20 - 24	841,122	7.0%	822,947	6.3%	819,401	6.0%
25 - 34	1,678,077	13.9%	1,841,819	14.0%	1,839,089	13.5%
35 - 44	1,696,765	14.0%	1,761,440	13.4%	1,922,899	14.1%
45 - 54	1,843,801	15.2%	1,652,626	12.6%	1,647,894	12.1%
55 - 64	1,445,355	11.9%	1,733,592	13.2%	1,672,776	12.3%
65 - 74	807,478	6.7%	1,305,806	9.9%	1,438,905	10.6%
75 - 84	458,922	3.8%	628,610	4.8%	821,262	6.0%
85+	197,667	1.6%	252,681	1.9%	280,154	2.1%
Race and Ethnicity	Census 2010		2021		2026	
	Number	Percent	Number	Percent	Number	Percent
White Alone	7,805,375	64.5%	7,981,605	60.8%	8,027,460	58.9%
Black Alone	2,753,974	22.8%	3,021,407	23.0%	3,144,623	23.1%
American Indian Alone	42,619	0.4%	49,453	0.4%	52,938	0.4%
Asian Alone	702,029	5.8%	946,394	7.2%	1,087,660	8.0%
Pacific Islander Alone	6,922	0.1%	8,953	0.1%	9,967	0.1%
Some Other Race Alone	444,003	3.7%	629,388	4.8%	730,145	5.4%
Two or More Races	344,159	2.8%	487,031	3.7%	566,582	4.2%
Hispanic Origin (Any Race)	1,036,680	8.6%	1,486,941	11.3%	1,741,831	12.8%

Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026.

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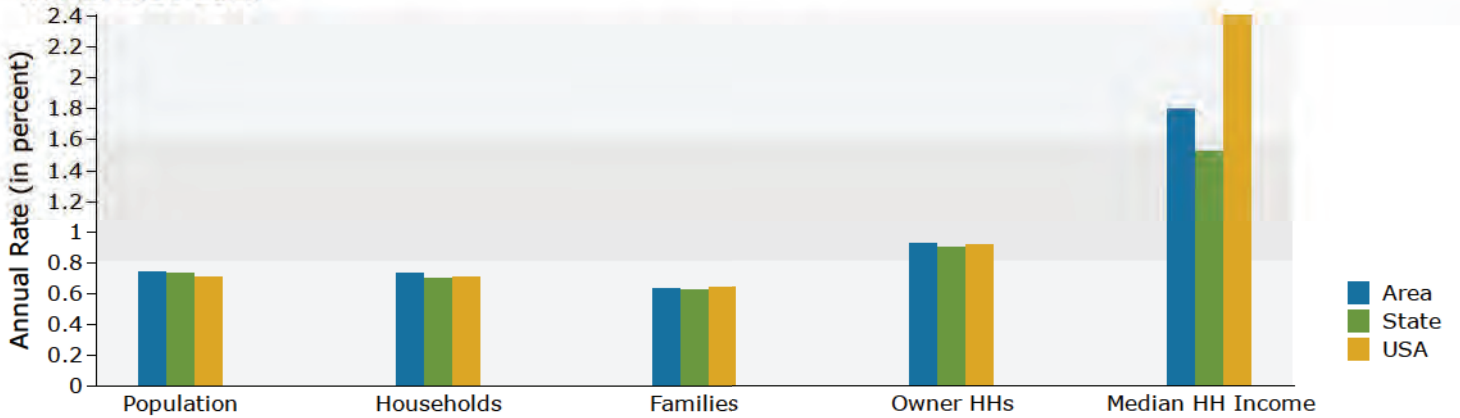


Demographic and Income Profile

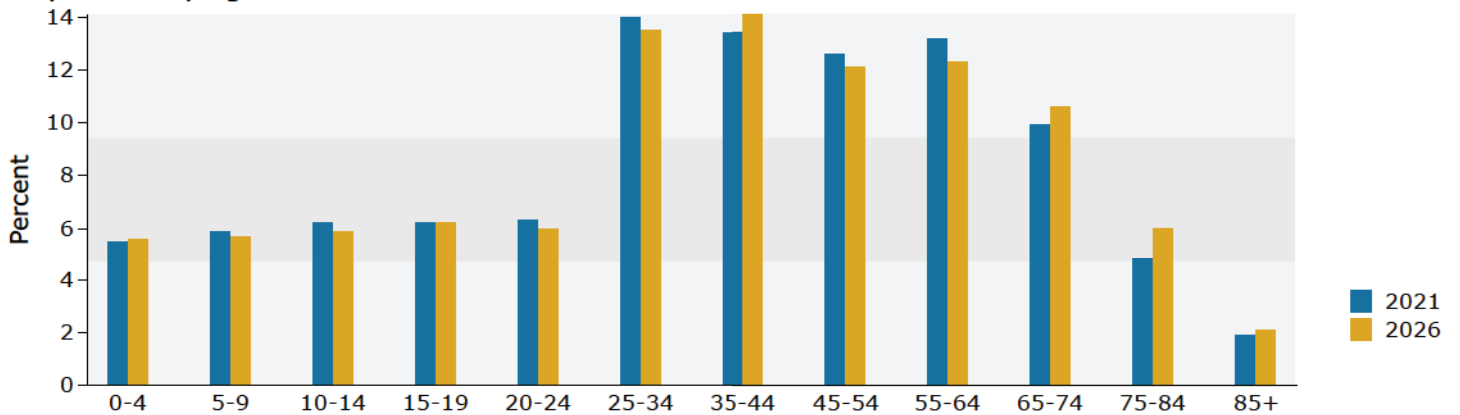
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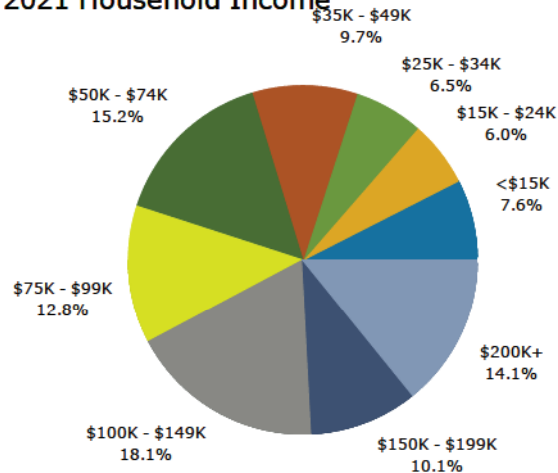
Trends 2021-2026



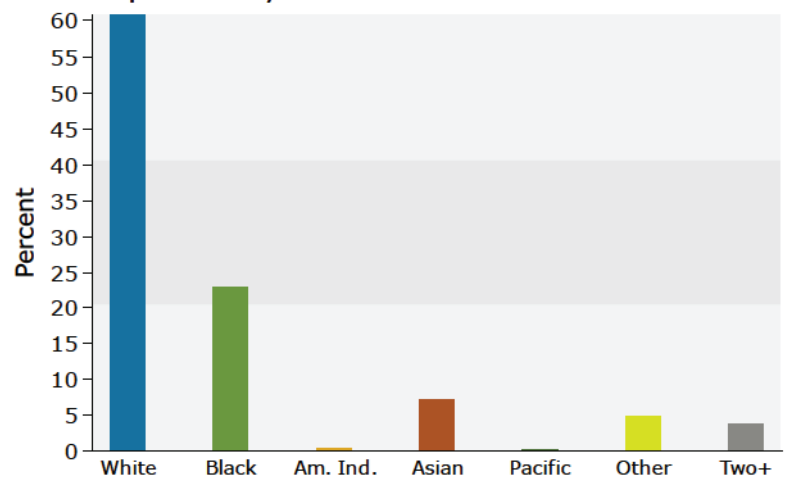
Population by Age



2021 Household Income



2021 Population by Race



2021 Percent Hispanic Origin: 11.3%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026.

April 04, 2022



Demographic and Income Profile

SUBJECT SITE
910 Tc Northcott Blvd, Luray, Virginia, 22835
Ring: 180 mile radius

Prepared by Esri
Latitude: 38.67390
Longitude: -78.50731

Summary	Census 2010		2021		2026	
Population	22,389,876		23,687,862		24,293,338	
Households	8,700,106		9,225,406		9,463,227	
Families	5,707,436		5,950,389		6,074,130	
Average Household Size	2.50		2.49		2.49	
Owner Occupied Housing Units	5,918,428		6,232,105		6,452,834	
Renter Occupied Housing Units	2,781,678		2,993,301		3,010,393	
Median Age	38.6		40.3		41.1	
Trends: 2021-2026 Annual Rate	Area		State		National	
Population	0.51%		0.73%		0.71%	
Households	0.51%		0.70%		0.71%	
Families	0.41%		0.62%		0.64%	
Owner HHs	0.70%		0.90%		0.91%	
Median Household Income	1.81%		1.53%		2.41%	
Households by Income			2021		2026	
			Number	Percent	Number	Percent
<\$15,000			815,497	8.8%	737,479	7.8%
\$15,000 - \$24,999			672,855	7.3%	609,440	6.4%
\$25,000 - \$34,999			695,494	7.5%	651,527	6.9%
\$35,000 - \$49,999			1,018,627	11.0%	964,885	10.2%
\$50,000 - \$74,999			1,526,515	16.5%	1,502,343	15.9%
\$75,000 - \$99,999			1,209,924	13.1%	1,258,222	13.3%
\$100,000 - \$149,999			1,554,688	16.9%	1,699,427	18.0%
\$150,000 - \$199,999			766,372	8.3%	914,354	9.7%
\$200,000+			965,225	10.5%	1,125,343	11.9%
Median Household Income			\$72,388		\$79,178	
Average Household Income			\$101,844		\$113,449	
Per Capita Income			\$39,788		\$44,322	
Population by Age	Census 2010		2021		2026	
	Number	Percent	Number	Percent	Number	Percent
0 - 4	1,363,064	6.1%	1,267,159	5.3%	1,304,043	5.4%
5 - 9	1,375,925	6.1%	1,348,024	5.7%	1,347,120	5.5%
10 - 14	1,403,288	6.3%	1,425,910	6.0%	1,410,906	5.8%
15 - 19	1,553,715	6.9%	1,458,422	6.2%	1,506,042	6.2%
20 - 24	1,564,868	7.0%	1,505,408	6.4%	1,473,334	6.1%
25 - 34	2,895,011	12.9%	3,175,196	13.4%	3,080,458	12.7%
35 - 44	2,995,329	13.4%	3,026,640	12.8%	3,278,553	13.5%
45 - 54	3,412,840	15.2%	2,935,214	12.4%	2,890,306	11.9%
55 - 64	2,785,434	12.4%	3,230,550	13.6%	3,054,355	12.6%
65 - 74	1,628,749	7.3%	2,535,404	10.7%	2,770,780	11.4%
75 - 84	988,376	4.4%	1,256,694	5.3%	1,612,063	6.6%
85+	423,280	1.9%	523,242	2.2%	565,378	2.3%
Race and Ethnicity	Census 2010		2021		2026	
	Number	Percent	Number	Percent	Number	Percent
White Alone	16,016,368	71.5%	16,098,990	68.0%	16,059,473	66.1%
Black Alone	4,233,671	18.9%	4,606,943	19.4%	4,775,282	19.7%
American Indian Alone	71,300	0.3%	83,848	0.4%	90,143	0.4%
Asian Alone	892,346	4.0%	1,226,398	5.2%	1,420,579	5.8%
Pacific Islander Alone	11,095	0.0%	14,725	0.1%	16,480	0.1%
Some Other Race Alone	616,088	2.8%	880,109	3.7%	1,024,971	4.2%
Two or More Races	549,008	2.5%	776,849	3.3%	906,409	3.7%
Hispanic Origin (Any Race)	1,472,326	6.6%	2,133,838	9.0%	2,511,607	10.3%

Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026.

April 04, 2022

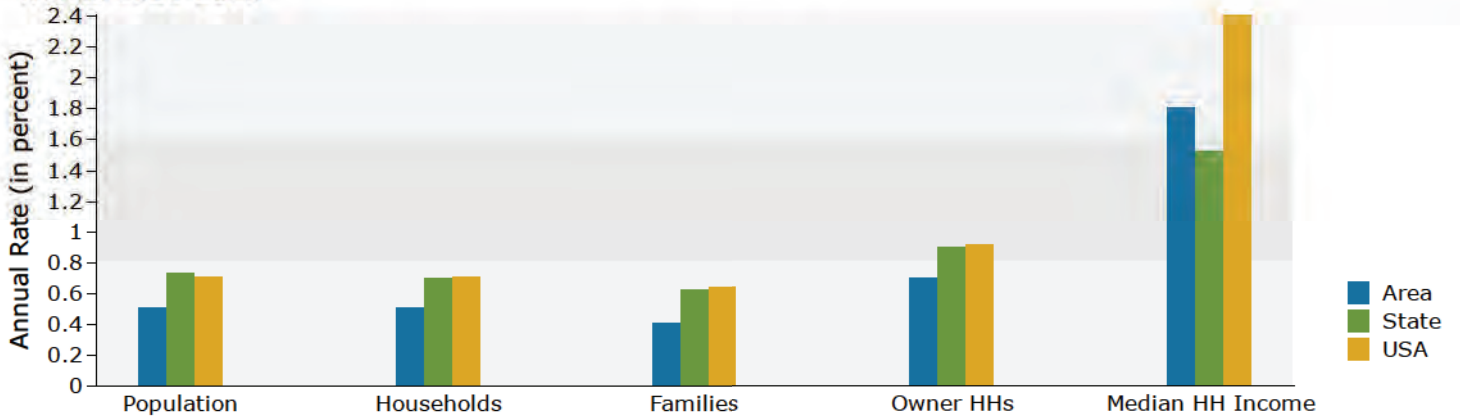


Demographic and Income Profile

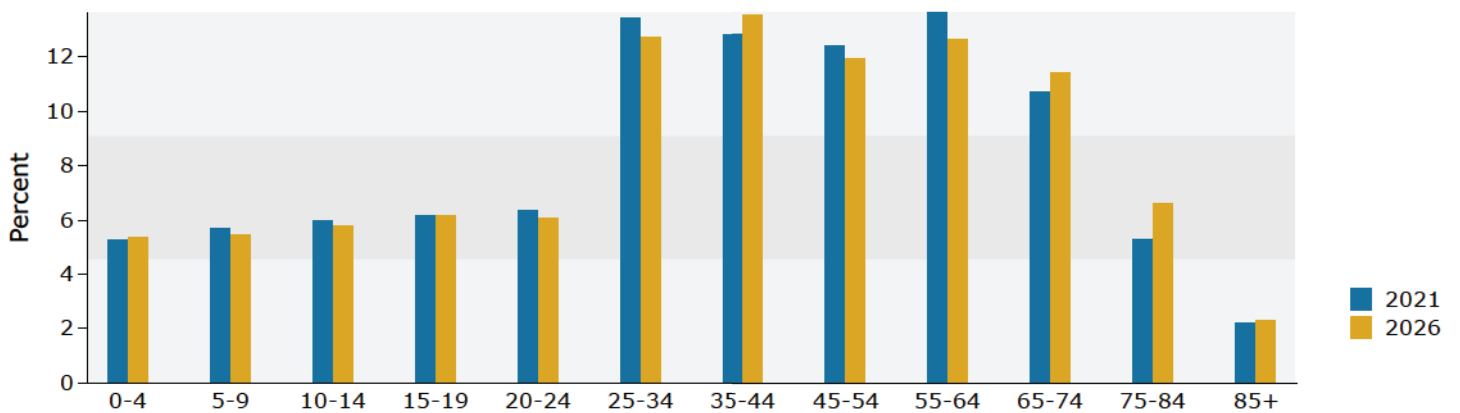
SUBJECT SITE
910 Tc Northcott Blvd, Luray, Virginia, 22835
Ring: 180 mile radius

Prepared by Esri
Latitude: 38.67390
Longitude: -78.50731

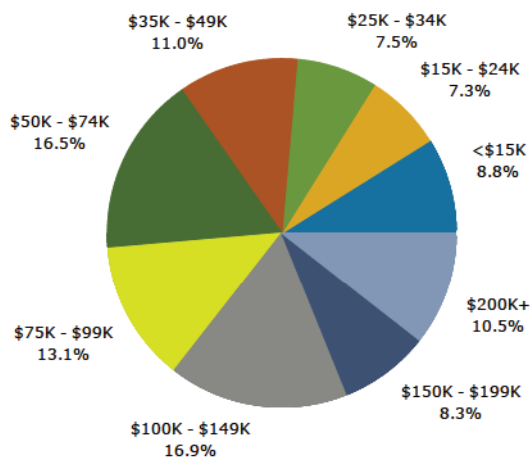
Trends 2021-2026



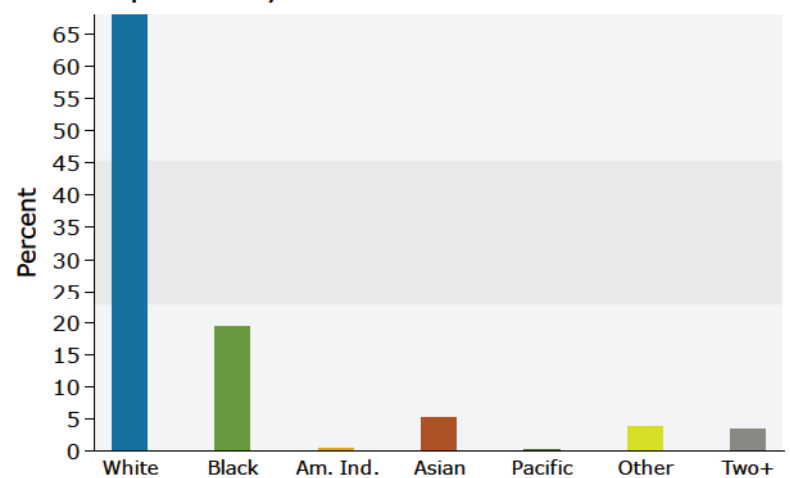
Population by Age



2021 Household Income



2021 Population by Race



2021 Percent Hispanic Origin: 9.0%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026.

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Detailed Age Profile

SUBJECT SITE
910 Tc Northcott Blvd, Luray, Virginia, 22835
Ring: 60 mile radius

Prepared by Esri
Latitude: 38.67390
Longitude: -78.50731

Summary	Census 2010	2021	2026	2021-2026 Change	2021-2026 Annual Rate
Population	1,560,044	1,830,164	1,954,570	124,406	1.32%
Households	567,118	659,752	702,294	42,542	1.26%
Average Household Size	2.69	2.72	2.73	0.01	0.07%

Total Population by Detailed Age	Census 2010		2021		2026	
	Number	Percent	Number	Percent	Number	Percent
Total	1,560,045	100.0%	1,830,164	100.0%	1,954,573	100.0%
<1	19,375	1.2%	20,553	1.1%	22,246	1.1%
1	20,241	1.3%	21,384	1.2%	23,174	1.2%
2	21,310	1.4%	22,052	1.2%	23,850	1.2%
3	21,619	1.4%	22,422	1.2%	24,192	1.2%
4	21,872	1.4%	22,674	1.2%	24,411	1.2%
5	21,839	1.4%	23,274	1.3%	24,729	1.3%
6	21,858	1.4%	23,567	1.3%	24,974	1.3%
7	21,918	1.4%	23,772	1.3%	25,118	1.3%
8	22,079	1.4%	23,880	1.3%	25,068	1.3%
9	22,493	1.4%	24,119	1.3%	25,254	1.3%
10	22,474	1.4%	25,260	1.4%	26,154	1.3%
11	21,940	1.4%	25,469	1.4%	26,111	1.3%
12	21,524	1.4%	25,176	1.4%	25,738	1.3%
13	21,691	1.4%	24,763	1.4%	25,427	1.3%
14	21,502	1.4%	24,041	1.3%	24,985	1.3%
15	22,425	1.4%	23,484	1.3%	25,151	1.3%
16	21,624	1.4%	22,573	1.2%	24,458	1.3%
17	22,152	1.4%	22,397	1.2%	24,398	1.2%
18	22,999	1.5%	24,638	1.3%	26,443	1.4%
19	23,752	1.5%	26,914	1.5%	28,315	1.4%
20 - 24	103,053	6.6%	114,039	6.2%	114,029	5.8%
25 - 29	96,595	6.2%	115,664	6.3%	110,206	5.6%
30 - 34	98,480	6.3%	118,458	6.5%	134,135	6.9%
35 - 39	107,455	6.9%	125,930	6.9%	138,603	7.1%
40 - 44	117,765	7.5%	120,796	6.6%	134,786	6.9%
45 - 49	125,909	8.1%	116,649	6.4%	123,103	6.3%
50 - 54	113,649	7.3%	119,021	6.5%	114,878	5.9%
55 - 59	95,714	6.1%	124,833	6.8%	118,489	6.1%
60 - 64	82,696	5.3%	114,352	6.2%	120,676	6.2%
65 - 69	61,125	3.9%	95,974	5.2%	110,339	5.6%
70 - 74	43,774	2.8%	79,485	4.3%	89,257	4.6%
75 - 79	32,186	2.1%	51,603	2.8%	69,763	3.6%
80 - 84	23,736	1.5%	31,461	1.7%	41,619	2.1%
85+	21,221	1.4%	29,487	1.6%	34,494	1.8%
<18	389,935	25.0%	420,860	23.0%	445,436	22.8%
18+	1,170,109	75.0%	1,409,305	77.0%	1,509,135	77.2%
21+	1,100,442	70.5%	1,331,712	72.8%	1,427,902	73.1%
Median Age	37.1		38.8		39.3	

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026.

April 04, 2022

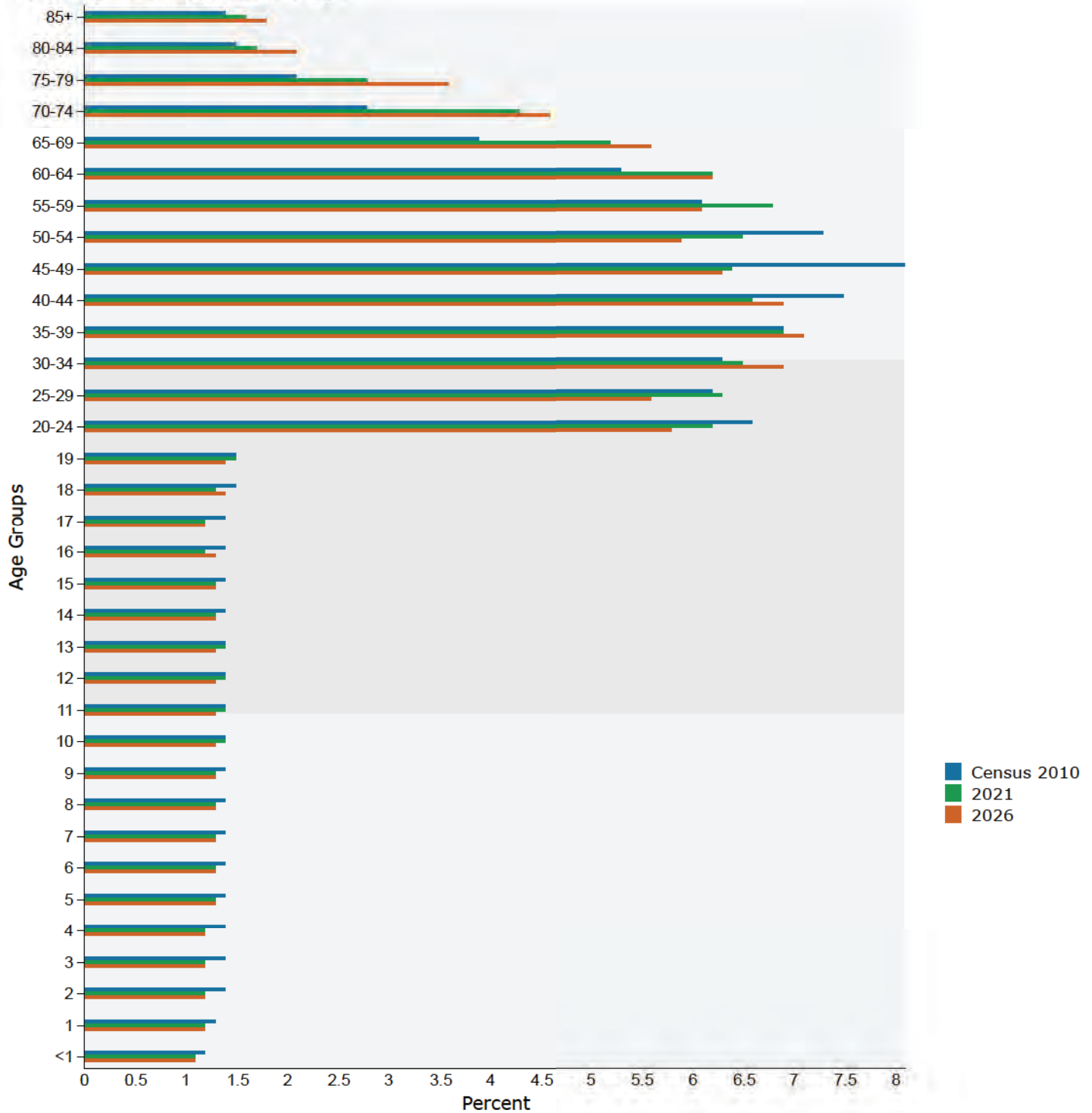


Detailed Age Profile

SUBJECT SITE
910 Tc Northcott Blvd, Luray, Virginia, 22835
Ring: 60 mile radius

Prepared by Esri
Latitude: 38.67390
Longitude: -78.50731

Total Population by Detailed Age



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026.

April 04, 2022



Detailed Age Profile

SUBJECT SITE
910 Tc Northcott Blvd, Luray, Virginia, 22835
Ring: 60 mile radius

Prepared by Esri
Latitude: 38.67890
Longitude: -78.50731

Male Population by Detailed Age	Census 2010		2021		2026	
	Number	Percent	Number	Percent	Number	Percent
Total	768,929	100.0%	902,966	100.0%	964,918	100.0%
<1	10,026	1.3%	10,474	1.2%	11,415	1.2%
1	10,313	1.3%	10,931	1.2%	11,882	1.2%
2	10,941	1.4%	11,328	1.3%	12,290	1.3%
3	11,093	1.4%	11,430	1.3%	12,340	1.3%
4	11,221	1.5%	11,548	1.3%	12,461	1.3%
5	11,097	1.4%	11,933	1.3%	12,674	1.3%
6	11,109	1.4%	12,168	1.3%	12,850	1.3%
7	11,044	1.4%	12,146	1.3%	12,813	1.3%
8	11,255	1.5%	12,310	1.4%	12,882	1.3%
9	11,521	1.5%	12,377	1.4%	12,947	1.3%
10	11,606	1.5%	12,989	1.4%	13,498	1.4%
11	11,310	1.5%	13,047	1.4%	13,423	1.4%
12	10,901	1.4%	12,804	1.4%	13,179	1.4%
13	10,875	1.4%	12,621	1.4%	13,024	1.3%
14	10,941	1.4%	12,338	1.4%	12,888	1.3%
15	11,527	1.5%	12,035	1.3%	13,029	1.4%
16	11,032	1.4%	11,491	1.3%	12,611	1.3%
17	11,264	1.5%	11,419	1.3%	12,535	1.3%
18	11,463	1.5%	12,102	1.3%	13,130	1.4%
19	11,686	1.5%	13,019	1.4%	13,825	1.4%
20 - 24	51,345	6.7%	56,879	6.3%	56,680	5.9%
25 - 29	48,447	6.3%	58,696	6.5%	55,088	5.7%
30 - 34	48,302	6.3%	59,097	6.5%	66,942	6.9%
35 - 39	53,135	6.9%	62,165	6.9%	69,405	7.2%
40 - 44	58,193	7.6%	59,454	6.6%	67,122	7.0%
45 - 49	62,594	8.1%	57,904	6.4%	60,927	6.3%
50 - 54	56,349	7.3%	58,792	6.5%	56,989	5.9%
55 - 59	46,732	6.1%	61,549	6.8%	58,239	6.0%
60 - 64	40,404	5.3%	55,839	6.2%	59,059	6.1%
65 - 69	29,406	3.8%	45,862	5.1%	53,162	5.5%
70 - 74	20,597	2.7%	37,655	4.2%	41,977	4.4%
75 - 79	14,582	1.9%	23,855	2.6%	32,203	3.3%
80 - 84	9,714	1.3%	13,706	1.5%	18,219	1.9%
85+	6,904	0.9%	11,003	1.2%	13,210	1.4%
<18	199,076	25.9%	215,387	23.9%	228,741	23.7%
18+	569,854	74.1%	687,577	76.1%	736,177	76.3%
21+	535,552	69.6%	649,786	72.0%	696,348	72.2%
Median Age	36.3		37.9		38.5	

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026.

April 04, 2022

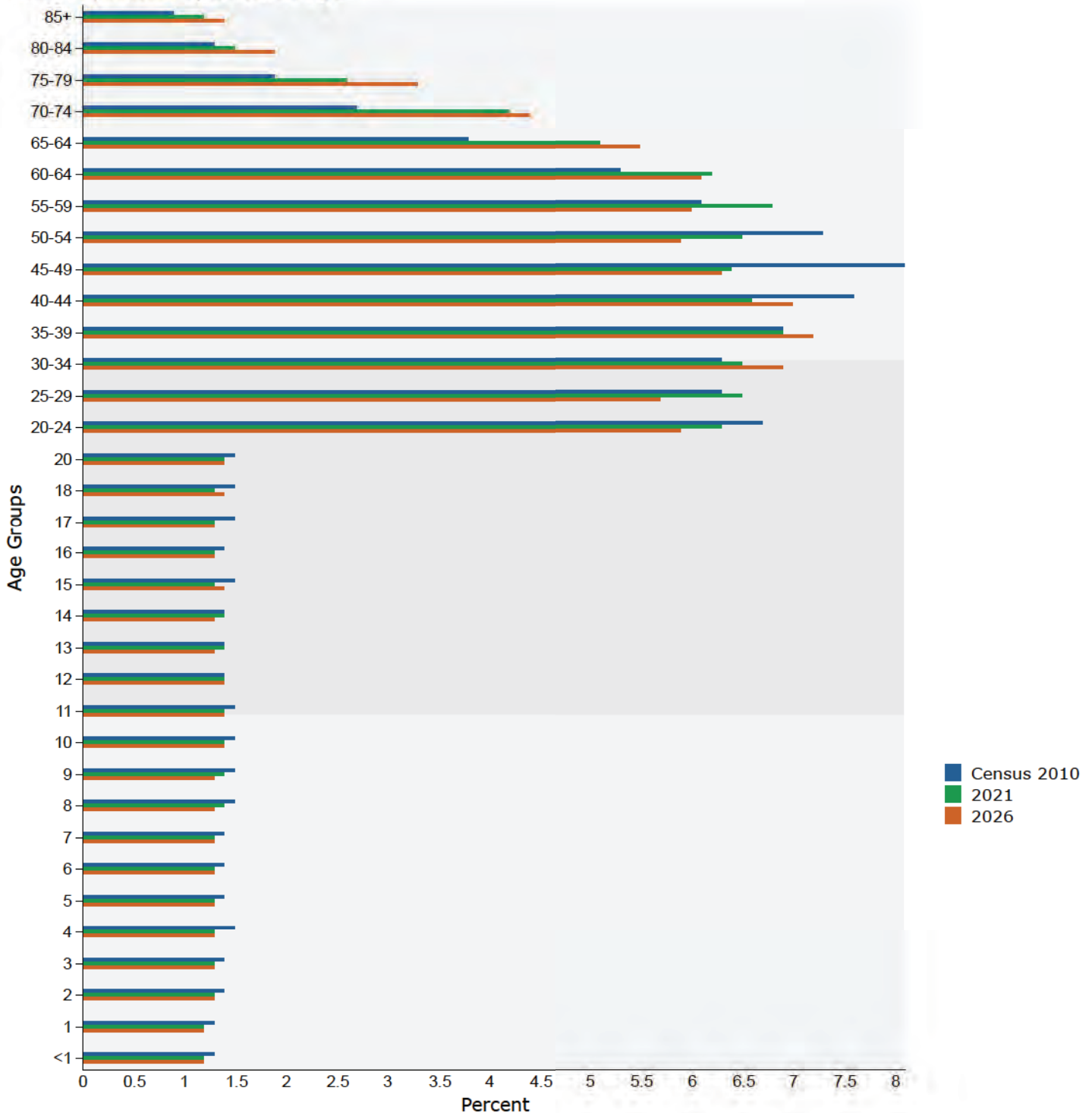


Detailed Age Profile

SUBJECT SITE
910 Tc Northcott Blvd, Luray, Virginia, 22835
Ring: 60 mile radius

Prepared by Esri
Latitude: 38.67390
Longitude: -78.50731

Male Population by Detailed Age



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026.

April 04, 2022



Detailed Age Profile

SUBJECT SITE
910 Tc Northcott Blvd, Luray, Virginia, 22835
Ring: 60 mile radius

Prepared by Esri
Latitude: 38.67390
Longitude: -78.50731

Female Population by Detailed Age	Census 2010		2021		2026	
	Number	Percent	Number	Percent	Number	Percent
Total	791,116	100.0%	927,200	100.0%	989,652	100.0%
<1	9,349	1.2%	10,080	1.1%	10,830	1.1%
1	9,928	1.3%	10,453	1.1%	11,292	1.1%
2	10,369	1.3%	10,724	1.2%	11,561	1.2%
3	10,526	1.3%	10,992	1.2%	11,851	1.2%
4	10,651	1.3%	11,126	1.2%	11,950	1.2%
5	10,742	1.4%	11,341	1.2%	12,055	1.2%
6	10,749	1.4%	11,399	1.2%	12,124	1.2%
7	10,874	1.4%	11,626	1.3%	12,304	1.2%
8	10,823	1.4%	11,570	1.2%	12,185	1.2%
9	10,972	1.4%	11,742	1.3%	12,307	1.2%
10	10,868	1.4%	12,271	1.3%	12,656	1.3%
11	10,631	1.3%	12,423	1.3%	12,689	1.3%
12	10,623	1.3%	12,372	1.3%	12,559	1.3%
13	10,816	1.4%	12,142	1.3%	12,403	1.3%
14	10,561	1.3%	11,703	1.3%	12,097	1.2%
15	10,898	1.4%	11,450	1.2%	12,121	1.2%
16	10,592	1.3%	11,082	1.2%	11,846	1.2%
17	10,888	1.4%	10,978	1.2%	11,863	1.2%
18	11,536	1.5%	12,536	1.4%	13,313	1.3%
19	12,066	1.5%	13,895	1.5%	14,489	1.5%
20 - 24	51,709	6.5%	57,160	6.2%	57,348	5.8%
25 - 29	48,148	6.1%	56,968	6.1%	55,118	5.6%
30 - 34	50,178	6.3%	59,362	6.4%	67,193	6.8%
35 - 39	54,321	6.9%	63,765	6.9%	69,198	7.0%
40 - 44	59,572	7.5%	61,343	6.6%	67,665	6.8%
45 - 49	63,315	8.0%	58,744	6.3%	62,177	6.3%
50 - 54	57,299	7.2%	60,228	6.5%	57,890	5.8%
55 - 59	48,981	6.2%	63,284	6.8%	60,250	6.1%
60 - 64	42,292	5.3%	58,513	6.3%	61,617	6.2%
65 - 69	31,719	4.0%	50,112	5.4%	57,177	5.8%
70 - 74	23,177	2.9%	41,829	4.5%	47,280	4.8%
75 - 79	17,604	2.2%	27,748	3.0%	37,560	3.8%
80 - 84	14,022	1.8%	17,755	1.9%	23,400	2.4%
85+	14,317	1.8%	18,484	2.0%	21,284	2.2%
<18	190,859	24.1%	205,473	22.2%	216,693	21.9%
18+	600,255	75.9%	721,727	77.8%	772,958	78.1%
21+	564,890	71.4%	681,925	73.5%	731,557	73.9%
Median Age	37.9		39.6		40.1	

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026.

April 04, 2022

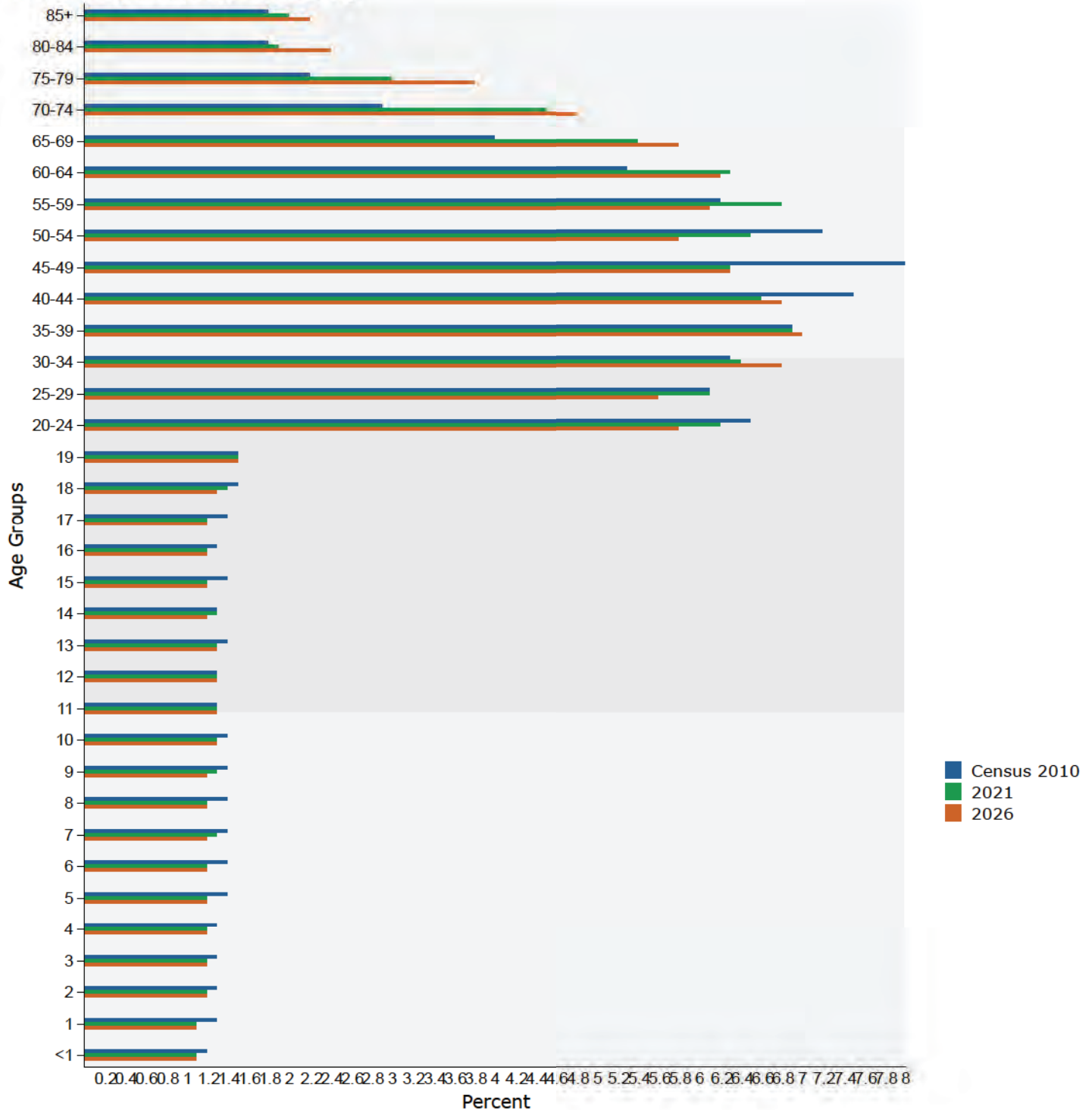


Detailed Age Profile

SUBJECT SITE
910 Tc Northcott Blvd, Luray, Virginia, 22835
Ring: 60 mile radius

Prepared by Esri
Latitude: 38.67390
Longitude: -78.50731

Female Population by Detailed Age



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026.

April 04, 2022



Detailed Age Profile

SUBJECT SITE
910 Tc Northcott Blvd, Luray, Virginia, 22835
Ring: 120 mile radius

Prepared by Esri
Latitude: 38.67390
Longitude: -78.50731

Summary	Census 2010	2021	2026	2021-2026 Change	2021-2026 Annual Rate
Population	12,099,082	13,124,230	13,619,376	495,146	0.74%
Households	4,612,612	5,000,905	5,187,249	186,344	0.73%
Average Household Size	2.55	2.56	2.56	0.00	0.00%

Total Population by Detailed Age	Census 2010		2021		2026	
	Number	Percent	Number	Percent	Number	Percent
Total	12,099,082	100.0%	13,124,229	100.0%	13,619,373	100.0%
<1	150,296	1.2%	141,961	1.1%	149,769	1.1%
1	150,445	1.2%	143,244	1.1%	150,514	1.1%
2	155,376	1.3%	145,556	1.1%	152,263	1.1%
3	154,956	1.3%	146,709	1.1%	152,843	1.1%
4	153,073	1.3%	146,560	1.1%	152,018	1.1%
5	152,332	1.3%	152,234	1.2%	154,572	1.1%
6	152,991	1.3%	153,578	1.2%	155,238	1.1%
7	150,602	1.2%	153,167	1.2%	154,176	1.1%
8	151,351	1.3%	154,698	1.2%	154,938	1.1%
9	155,604	1.3%	157,345	1.2%	157,005	1.2%
10	155,255	1.3%	163,644	1.2%	161,363	1.2%
11	153,302	1.3%	164,922	1.3%	161,159	1.2%
12	152,387	1.3%	165,421	1.3%	161,341	1.2%
13	154,122	1.3%	163,822	1.2%	160,537	1.2%
14	155,345	1.3%	160,732	1.2%	159,260	1.2%
15	159,883	1.3%	153,943	1.2%	158,118	1.2%
16	161,986	1.3%	152,545	1.2%	158,754	1.2%
17	166,005	1.4%	152,489	1.2%	159,450	1.2%
18	170,486	1.4%	168,986	1.3%	175,654	1.3%
19	174,098	1.4%	183,152	1.4%	188,021	1.4%
20 - 24	841,122	7.0%	822,947	6.3%	819,401	6.0%
25 - 29	865,912	7.2%	907,454	6.9%	867,861	6.4%
30 - 34	812,165	6.7%	934,365	7.1%	971,228	7.1%
35 - 39	821,976	6.8%	919,539	7.0%	987,780	7.3%
40 - 44	874,789	7.2%	841,901	6.4%	935,119	6.9%
45 - 49	943,737	7.8%	812,514	6.2%	845,774	6.2%
50 - 54	900,064	7.4%	840,112	6.4%	802,120	5.9%
55 - 59	781,553	6.5%	890,143	6.8%	828,132	6.1%
60 - 64	663,802	5.5%	843,449	6.4%	844,644	6.2%
65 - 69	472,266	3.9%	718,365	5.5%	788,700	5.8%
70 - 74	335,212	2.8%	587,441	4.5%	650,205	4.8%
75 - 79	256,921	2.1%	385,927	2.9%	511,047	3.8%
80 - 84	202,001	1.7%	242,683	1.8%	310,215	2.3%
85+	197,667	1.6%	252,681	1.9%	280,154	2.1%
<18	2,785,311	23.0%	2,772,569	21.1%	2,813,318	20.7%
18+	9,313,771	77.0%	10,351,660	78.9%	10,806,056	79.3%
21+	8,798,179	72.7%	9,823,057	74.8%	10,265,804	75.4%
Median Age	37.4		39.2		39.9	

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026.

April 04, 2022

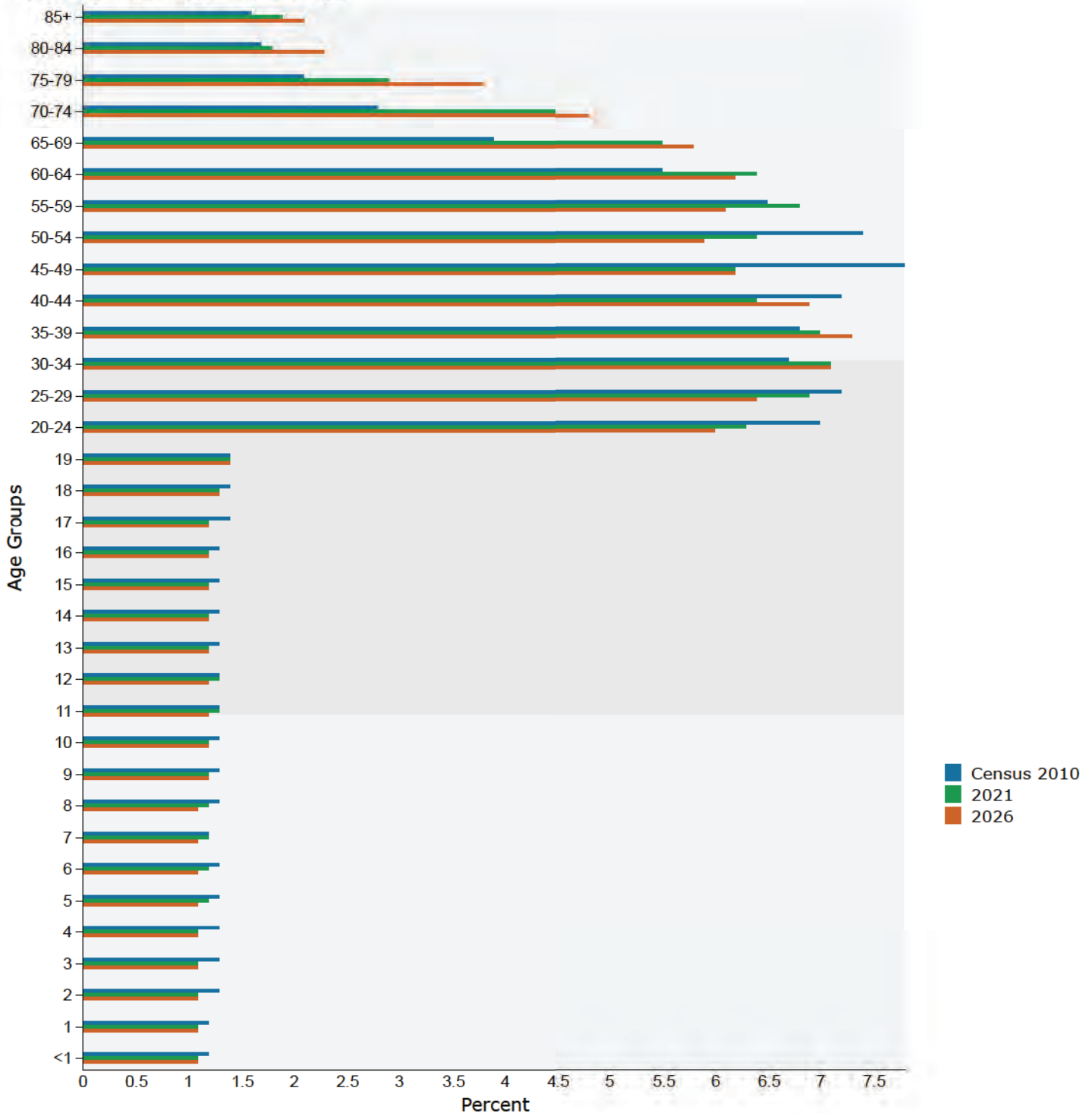


Detailed Age Profile

SUBJECT SITE
910 Tc Northcott Blvd, Luray, Virginia, 22835
Ring: 120 mile radius

Prepared by Esri
Latitude: 38.67390
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Total Population by Detailed Age



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026.

April 04, 2022



Detailed Age Profile

SUBJECT SITE
910 Tc Northcott Blvd, Luray, Virginia, 22835
Ring: 120 mile radius

Prepared by Esri
Latitude: 38.67890
Longitude: -78.50731

Male Population by Detailed Age	Census 2010		2021		2026	
	Number	Percent	Number	Percent	Number	Percent
Total	5,891,121	100.0%	6,407,423	100.0%	6,658,122	100.0%
<1	76,892	1.3%	72,115	1.1%	76,616	1.2%
1	76,636	1.3%	72,665	1.1%	76,622	1.2%
2	78,991	1.3%	73,886	1.2%	77,545	1.2%
3	79,443	1.3%	74,800	1.2%	78,118	1.2%
4	78,110	1.3%	74,689	1.2%	77,558	1.2%
5	77,442	1.3%	77,423	1.2%	78,527	1.2%
6	78,139	1.3%	78,578	1.2%	79,201	1.2%
7	76,192	1.3%	77,895	1.2%	78,225	1.2%
8	76,975	1.3%	79,152	1.2%	79,054	1.2%
9	79,740	1.4%	80,491	1.3%	80,190	1.2%
10	79,124	1.3%	83,460	1.3%	82,385	1.2%
11	78,194	1.3%	84,078	1.3%	82,340	1.2%
12	77,933	1.3%	84,276	1.3%	82,456	1.2%
13	77,929	1.3%	83,329	1.3%	81,974	1.2%
14	79,446	1.3%	82,066	1.3%	81,605	1.2%
15	81,952	1.4%	78,535	1.2%	81,091	1.2%
16	83,273	1.4%	78,054	1.2%	81,767	1.2%
17	85,248	1.4%	78,318	1.2%	82,262	1.2%
18	86,491	1.5%	84,195	1.3%	87,992	1.3%
19	87,813	1.5%	91,037	1.4%	93,800	1.4%
20 - 24	421,612	7.2%	413,260	6.4%	409,916	6.2%
25 - 29	427,463	7.3%	458,749	7.2%	432,767	6.5%
30 - 34	398,785	6.8%	466,903	7.3%	489,508	7.4%
35 - 39	403,363	6.8%	454,907	7.1%	495,111	7.4%
40 - 44	428,150	7.3%	412,728	6.4%	464,299	7.0%
45 - 49	460,743	7.8%	398,178	6.2%	414,731	6.2%
50 - 54	436,853	7.4%	410,168	6.4%	392,341	5.9%
55 - 59	374,356	6.4%	430,687	6.7%	401,848	6.0%
60 - 64	317,460	5.4%	401,524	6.3%	406,112	6.1%
65 - 69	221,660	3.8%	334,755	5.2%	371,225	5.6%
70 - 74	152,749	2.6%	271,477	4.2%	297,732	4.5%
75 - 79	110,681	1.9%	172,032	2.7%	228,546	3.4%
80 - 84	78,658	1.3%	102,624	1.6%	131,741	2.0%
85+	62,625	1.1%	90,389	1.4%	102,917	1.5%
<18	1,421,657	24.1%	1,413,811	22.1%	1,437,538	21.6%
18+	4,469,462	75.9%	4,993,613	77.9%	5,220,587	78.4%
21+	4,208,218	71.4%	4,729,621	73.8%	4,949,962	74.3%
Median Age	36.3		38.0		38.8	

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026.

April 04, 2022

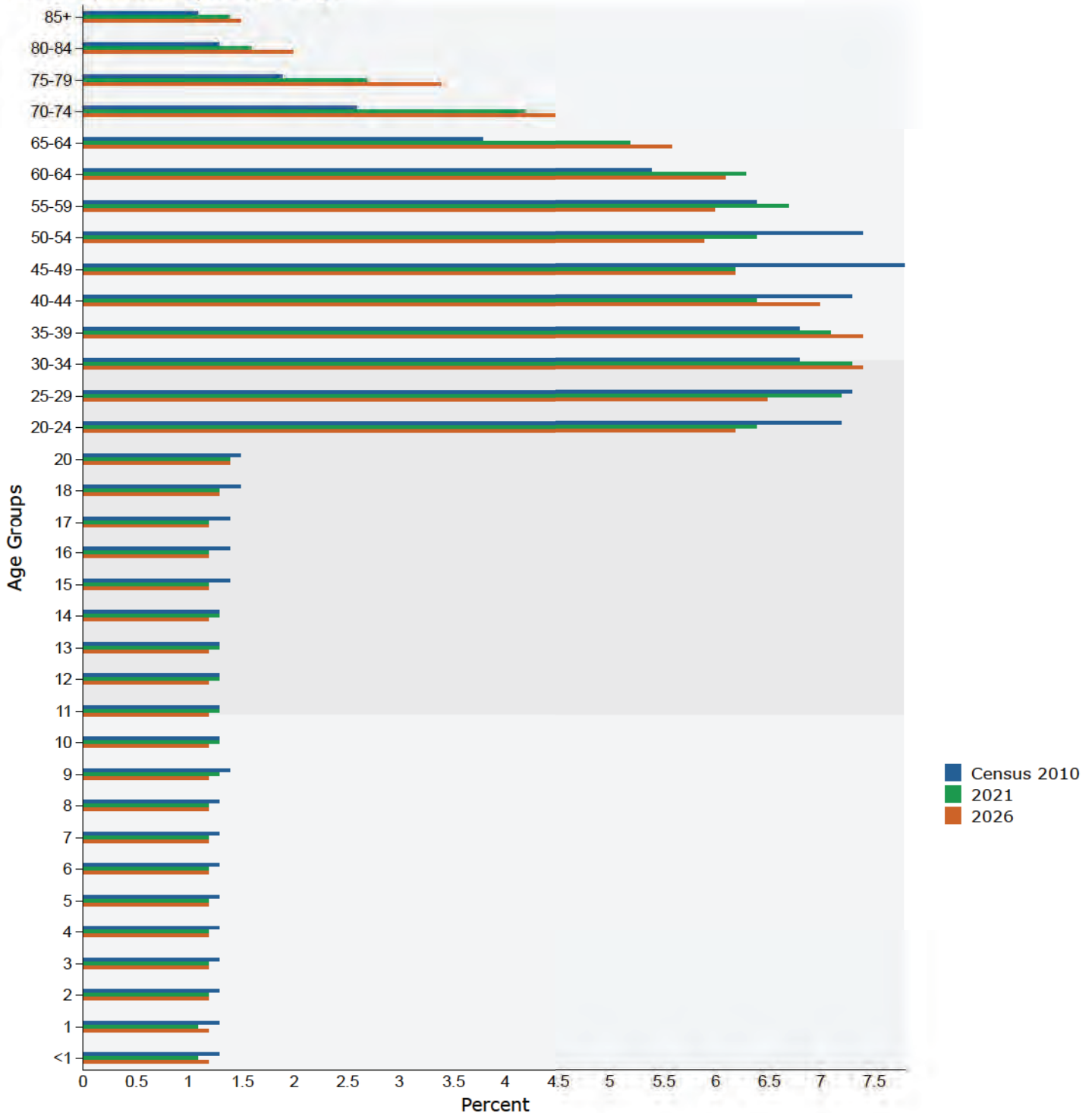


Detailed Age Profile

SUBJECT SITE
910 Tc Northcott Blvd, Luray, Virginia, 22835
Ring: 120 mile radius

Prepared by Esri
Latitude: 38.67390
Longitude: -78.50731

Male Population by Detailed Age



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026.

April 04, 2022



Detailed Age Profile

SUBJECT SITE
910 Tc Northcott Blvd, Luray, Virginia, 22835
Ring: 120 mile radius

Prepared by Esri
Latitude: 38.67390
Longitude: -78.50731

Female Population by Detailed Age	Census 2010		2021		2026	
	Number	Percent	Number	Percent	Number	Percent
Total	6,207,965	100.0%	6,716,806	100.0%	6,961,248	100.0%
<1	73,405	1.2%	69,846	1.0%	73,153	1.1%
1	73,810	1.2%	70,579	1.1%	73,892	1.1%
2	76,386	1.2%	71,670	1.1%	74,718	1.1%
3	75,514	1.2%	71,909	1.1%	74,725	1.1%
4	74,963	1.2%	71,871	1.1%	74,460	1.1%
5	74,890	1.2%	74,811	1.1%	76,044	1.1%
6	74,852	1.2%	74,999	1.1%	76,036	1.1%
7	74,411	1.2%	75,272	1.1%	75,950	1.1%
8	74,376	1.2%	75,545	1.1%	75,883	1.1%
9	75,865	1.2%	76,854	1.1%	76,815	1.1%
10	76,131	1.2%	80,184	1.2%	78,978	1.1%
11	75,108	1.2%	80,843	1.2%	78,819	1.1%
12	74,453	1.2%	81,145	1.2%	78,885	1.1%
13	76,193	1.2%	80,494	1.2%	78,563	1.1%
14	75,899	1.2%	78,666	1.2%	77,655	1.1%
15	77,931	1.3%	75,408	1.1%	77,027	1.1%
16	78,712	1.3%	74,491	1.1%	76,987	1.1%
17	80,757	1.3%	74,172	1.1%	77,188	1.1%
18	83,995	1.4%	84,791	1.3%	87,662	1.3%
19	86,285	1.4%	92,115	1.4%	94,221	1.4%
20 - 24	419,510	6.8%	409,686	6.1%	409,485	5.9%
25 - 29	438,449	7.1%	448,705	6.7%	435,094	6.3%
30 - 34	413,380	6.7%	467,462	7.0%	481,720	6.9%
35 - 39	418,613	6.7%	464,632	6.9%	492,669	7.1%
40 - 44	446,639	7.2%	429,173	6.4%	470,821	6.8%
45 - 49	482,994	7.8%	414,336	6.2%	431,043	6.2%
50 - 54	463,212	7.5%	429,945	6.4%	409,779	5.9%
55 - 59	407,197	6.6%	459,456	6.8%	426,284	6.1%
60 - 64	346,342	5.6%	441,926	6.6%	438,533	6.3%
65 - 69	250,606	4.0%	383,610	5.7%	417,475	6.0%
70 - 74	182,463	2.9%	315,964	4.7%	352,473	5.1%
75 - 79	146,240	2.4%	213,895	3.2%	282,501	4.1%
80 - 84	123,343	2.0%	140,059	2.1%	178,474	2.6%
85+	135,041	2.2%	162,292	2.4%	177,236	2.5%
<18	1,363,653	22.0%	1,358,759	20.2%	1,375,781	19.8%
18+	4,844,309	78.0%	5,358,047	79.8%	5,585,469	80.2%
21+	4,589,961	73.9%	5,093,439	75.8%	5,315,843	76.4%
Median Age	38.6		40.4		41.1	

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026.

April 04, 2022

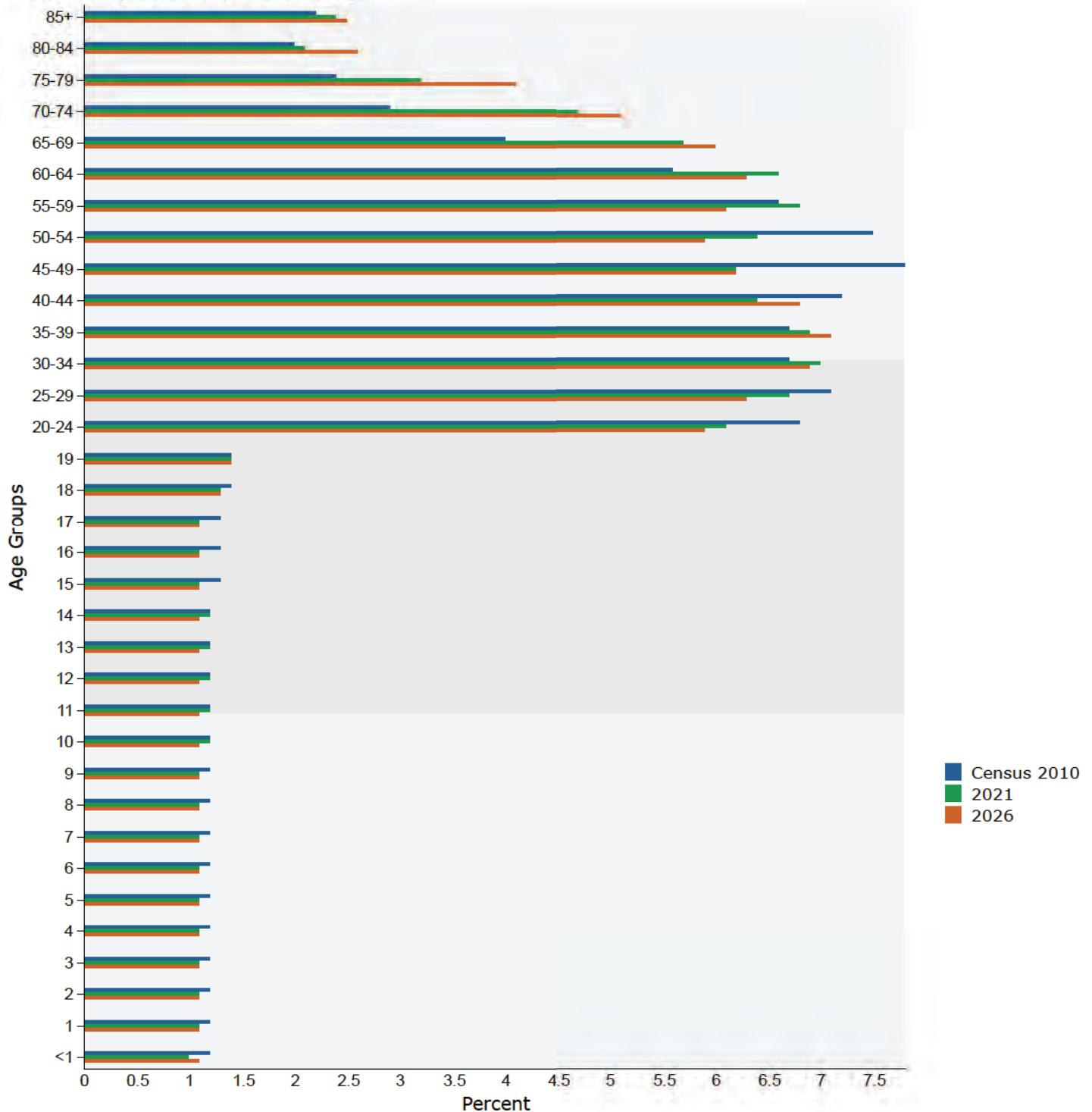


Detailed Age Profile

SUBJECT SITE
910 Tc Northcott Blvd, Luray, Virginia, 22835
Ring: 120 mile radius

Prepared by Esri
Latitude: 38.67390
Longitude: -78.50731

Female Population by Detailed Age



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026.

April 04, 2022



Detailed Age Profile

SUBJECT SITE
910 Tc Northcott Blvd, Luray, Virginia, 22835
Ring: 180 mile radius

Prepared by Esri
Latitude: 38.67390
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Summary	Census 2010	2021	2026	2021-2026 Change	2021-2026 Annual Rate
Population	22,389,876	23,687,862	24,293,338	605,476	0.51%
Households	8,700,106	9,225,406	9,463,227	237,821	0.51%
Average Household Size	2.50	2.49	2.49	0.00	0.00%

Total Population by Detailed Age	Census 2010		2021		2026	
	Number	Percent	Number	Percent	Number	Percent
Total	22,389,879	100.0%	23,687,861	100.0%	24,293,338	100.0%
<1	266,880	1.2%	247,843	1.0%	257,203	1.1%
1	268,219	1.2%	250,357	1.1%	258,473	1.1%
2	276,946	1.2%	254,736	1.1%	261,955	1.1%
3	276,707	1.2%	256,891	1.1%	263,283	1.1%
4	274,312	1.2%	257,332	1.1%	263,129	1.1%
5	273,402	1.2%	265,622	1.1%	267,199	1.1%
6	275,115	1.2%	268,354	1.1%	268,822	1.1%
7	272,020	1.2%	268,057	1.1%	267,763	1.1%
8	274,333	1.2%	270,810	1.1%	269,706	1.1%
9	281,055	1.3%	275,180	1.2%	273,631	1.1%
10	282,884	1.3%	285,157	1.2%	282,446	1.2%
11	278,443	1.2%	286,517	1.2%	282,376	1.2%
12	277,897	1.2%	287,574	1.2%	283,162	1.2%
13	280,072	1.3%	285,351	1.2%	282,374	1.2%
14	283,991	1.3%	281,311	1.2%	280,547	1.2%
15	292,211	1.3%	270,383	1.1%	277,871	1.1%
16	298,227	1.3%	268,898	1.1%	279,634	1.2%
17	305,459	1.4%	269,192	1.1%	280,815	1.2%
18	321,163	1.4%	306,766	1.3%	317,373	1.3%
19	336,656	1.5%	343,182	1.4%	350,349	1.4%
20 - 24	1,564,868	7.0%	1,505,408	6.4%	1,473,334	6.1%
25 - 29	1,494,018	6.7%	1,574,982	6.6%	1,449,112	6.0%
30 - 34	1,400,993	6.3%	1,600,214	6.8%	1,631,346	6.7%
35 - 39	1,442,028	6.4%	1,572,813	6.6%	1,676,007	6.9%
40 - 44	1,553,301	6.9%	1,453,827	6.1%	1,602,546	6.6%
45 - 49	1,716,899	7.7%	1,430,648	6.0%	1,470,049	6.1%
50 - 54	1,695,941	7.6%	1,504,566	6.4%	1,420,257	5.8%
55 - 59	1,499,357	6.7%	1,631,478	6.9%	1,492,911	6.1%
60 - 64	1,286,077	5.7%	1,599,072	6.8%	1,561,444	6.4%
65 - 69	936,557	4.2%	1,388,509	5.9%	1,508,191	6.2%
70 - 74	692,192	3.1%	1,146,895	4.8%	1,262,589	5.2%
75 - 79	547,845	2.4%	763,377	3.2%	999,478	4.1%
80 - 84	440,531	2.0%	493,317	2.1%	612,585	2.5%
85+	423,280	1.9%	523,242	2.2%	565,378	2.3%
<18	5,038,174	22.5%	4,849,566	20.5%	4,900,389	20.2%
18+	17,351,703	77.5%	18,838,296	79.5%	19,392,949	79.8%
21+	16,362,214	73.1%	17,854,794	75.4%	18,394,703	75.7%
Median Age	38.6		40.3		41.1	

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026.

April 04, 2022

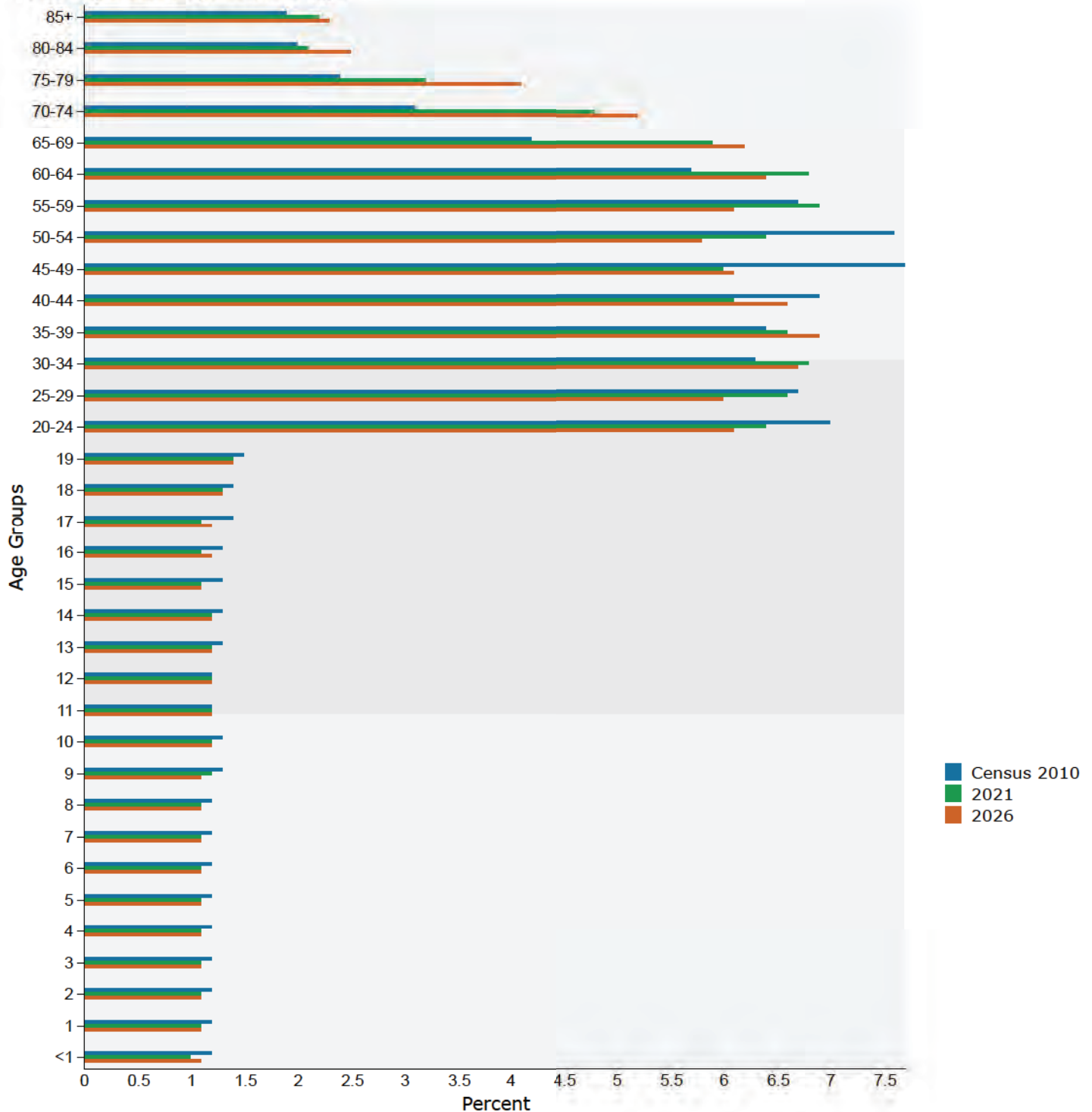


Detailed Age Profile

SUBJECT SITE
910 Tc Northcott Blvd, Luray, Virginia, 22835
Ring: 180 mile radius

Prepared by Esri
Latitude: 38.67390
Longitude: -78.50731

Total Population by Detailed Age



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026.

April 04, 2022



Detailed Age Profile

SUBJECT SITE
910 Tc Northcott Blvd, Luray, Virginia, 22835
Ring: 180 mile radius

Prepared by Esri
Latitude: 38.67390
Longitude: -78.50731

Male Population by Detailed Age	Census 2010		2021		2026	
	Number	Percent	Number	Percent	Number	Percent
Total	10,926,507	100.0%	11,597,707	100.0%	11,913,979	100.0%
<1	136,195	1.2%	125,772	1.1%	131,458	1.1%
1	136,722	1.3%	127,054	1.1%	131,618	1.1%
2	141,050	1.3%	129,448	1.1%	133,494	1.1%
3	141,882	1.3%	131,104	1.1%	134,609	1.1%
4	140,237	1.3%	131,168	1.1%	134,314	1.1%
5	139,146	1.3%	135,251	1.2%	135,923	1.1%
6	140,315	1.3%	137,283	1.2%	137,164	1.2%
7	138,274	1.3%	136,624	1.2%	136,177	1.1%
8	139,650	1.3%	138,417	1.2%	137,522	1.2%
9	143,656	1.3%	140,661	1.2%	139,750	1.2%
10	144,645	1.3%	145,653	1.3%	144,537	1.2%
11	142,305	1.3%	146,109	1.3%	144,409	1.2%
12	142,549	1.3%	146,992	1.3%	145,272	1.2%
13	141,995	1.3%	145,255	1.3%	144,347	1.2%
14	145,467	1.3%	143,684	1.2%	143,909	1.2%
15	150,131	1.4%	138,160	1.2%	142,806	1.2%
16	153,048	1.4%	137,676	1.2%	144,161	1.2%
17	156,935	1.4%	138,277	1.2%	145,107	1.2%
18	162,475	1.5%	152,874	1.3%	159,119	1.3%
19	170,985	1.6%	172,634	1.5%	176,908	1.5%
20 - 24	795,233	7.3%	769,010	6.6%	749,629	6.3%
25 - 29	746,840	6.8%	804,614	6.9%	733,259	6.2%
30 - 34	694,579	6.4%	807,056	7.0%	829,269	7.0%
35 - 39	712,684	6.5%	783,303	6.8%	845,137	7.1%
40 - 44	764,281	7.0%	717,847	6.2%	799,916	6.7%
45 - 49	841,096	7.7%	704,995	6.1%	726,242	6.1%
50 - 54	827,014	7.6%	737,388	6.4%	698,588	5.9%
55 - 59	724,306	6.6%	792,897	6.8%	727,388	6.1%
60 - 64	617,705	5.7%	765,529	6.6%	753,108	6.3%
65 - 69	440,075	4.0%	651,678	5.6%	713,688	6.0%
70 - 74	314,917	2.9%	530,940	4.6%	582,507	4.9%
75 - 79	234,983	2.2%	340,049	2.9%	447,518	3.8%
80 - 84	171,739	1.6%	207,090	1.8%	259,424	2.2%
85+	133,393	1.2%	185,215	1.6%	205,702	1.7%
<18	2,574,202	23.6%	2,474,589	21.3%	2,506,575	21.0%
18+	8,352,306	76.4%	9,123,118	78.7%	9,407,402	79.0%
21+	7,849,779	71.8%	8,628,067	74.4%	8,903,571	74.7%
Median Age	37.2		38.9		39.7	

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026.

April 04, 2022

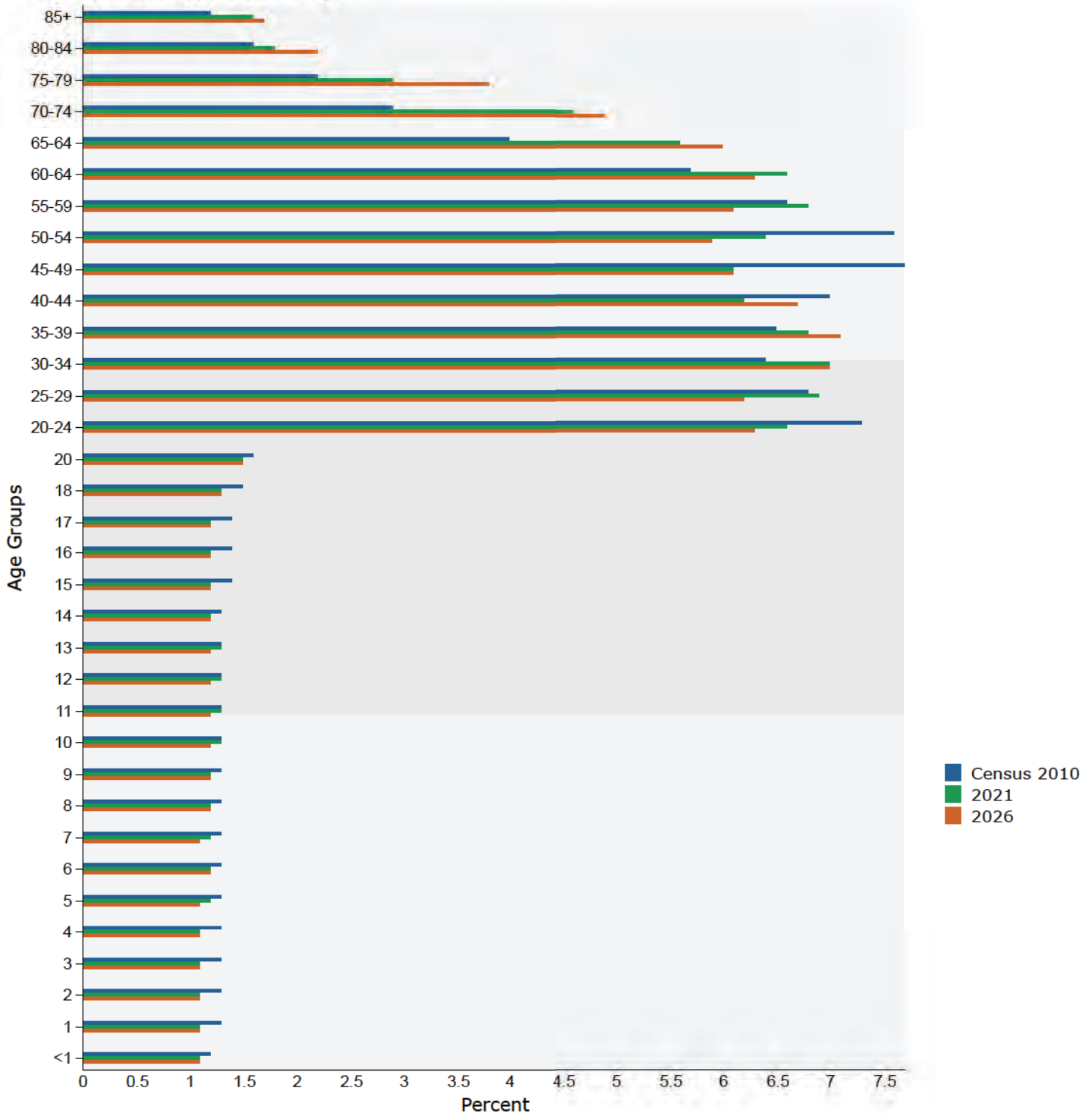


Detailed Age Profile

SUBJECT SITE
910 Tc Northcott Blvd, Luray, Virginia, 22835
Ring: 180 mile radius

Prepared by Esri
Latitude: 38.67390
Longitude: -78.50731

Male Population by Detailed Age



Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026.

April 04, 2022



Detailed Age Profile

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910 Tc Northcott Blvd, Luray, Virginia, 22835
Ring: 180 mile radius

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Female Population by Detailed Age	Census 2010		2021		2026	
	Number	Percent	Number	Percent	Number	Percent
Total	11,463,371	100.0%	12,090,158	100.0%	12,379,361	100.0%
<1	130,685	1.1%	122,070	1.0%	125,745	1.0%
1	131,497	1.1%	123,303	1.0%	126,855	1.0%
2	135,896	1.2%	125,288	1.0%	128,462	1.0%
3	134,825	1.2%	125,787	1.0%	128,675	1.0%
4	134,076	1.2%	126,164	1.0%	128,814	1.0%
5	134,256	1.2%	130,372	1.1%	131,276	1.1%
6	134,800	1.2%	131,071	1.1%	131,658	1.1%
7	133,746	1.2%	131,433	1.1%	131,586	1.1%
8	134,683	1.2%	132,393	1.1%	132,184	1.1%
9	137,399	1.2%	134,518	1.1%	133,881	1.1%
10	138,239	1.2%	139,504	1.2%	137,910	1.1%
11	136,138	1.2%	140,408	1.2%	137,968	1.1%
12	135,349	1.2%	140,582	1.2%	137,891	1.1%
13	138,077	1.2%	140,097	1.2%	138,027	1.1%
14	138,524	1.2%	137,627	1.1%	136,638	1.1%
15	142,080	1.2%	132,223	1.1%	135,065	1.1%
16	145,179	1.3%	131,222	1.1%	135,472	1.1%
17	148,524	1.3%	130,916	1.1%	135,707	1.1%
18	158,687	1.4%	153,892	1.3%	158,253	1.3%
19	165,670	1.4%	170,548	1.4%	173,442	1.4%
20 - 24	769,635	6.7%	736,398	6.1%	723,705	5.8%
25 - 29	747,178	6.5%	770,368	6.4%	715,853	5.8%
30 - 34	706,413	6.2%	793,158	6.6%	802,076	6.5%
35 - 39	729,344	6.4%	789,510	6.5%	830,870	6.7%
40 - 44	789,020	6.9%	735,980	6.1%	802,630	6.5%
45 - 49	875,803	7.6%	725,653	6.0%	743,807	6.0%
50 - 54	868,927	7.6%	767,179	6.3%	721,669	5.8%
55 - 59	775,051	6.8%	838,582	6.9%	765,524	6.2%
60 - 64	668,372	5.8%	833,543	6.9%	808,336	6.5%
65 - 69	496,482	4.3%	736,831	6.1%	794,503	6.4%
70 - 74	377,275	3.3%	615,955	5.1%	680,082	5.5%
75 - 79	312,863	2.7%	423,328	3.5%	551,960	4.5%
80 - 84	268,791	2.3%	286,227	2.4%	353,161	2.9%
85+	289,887	2.5%	338,028	2.8%	359,676	2.9%
<18	2,463,971	21.5%	2,374,977	19.6%	2,393,811	19.3%
18+	8,999,397	78.5%	9,715,177	80.4%	9,985,547	80.7%
21+	8,512,435	74.3%	9,226,727	76.3%	9,491,133	76.7%
Median Age	39.9		41.7		42.4	

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026.

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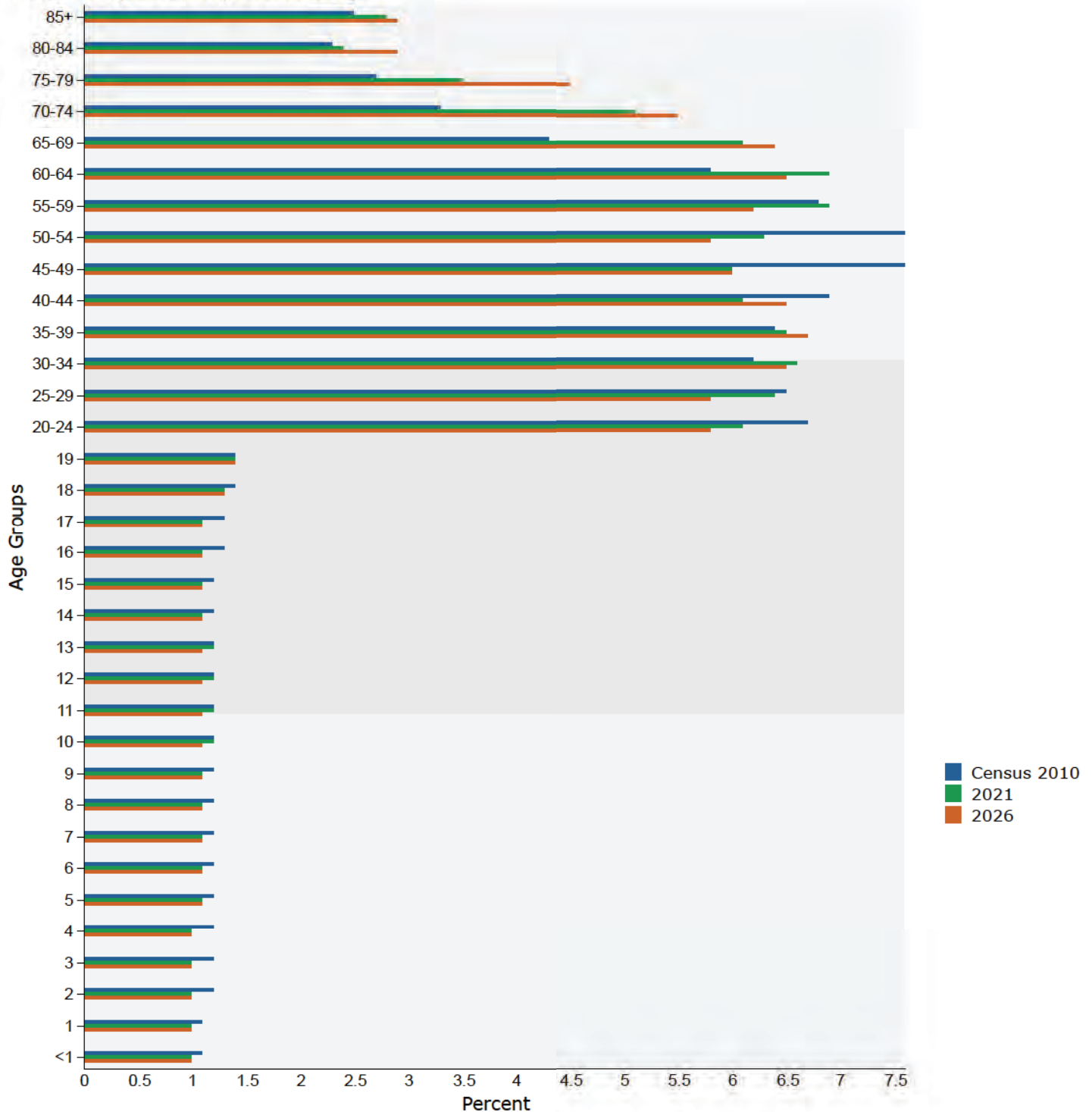


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Female Population by Detailed Age



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